DRAFT RED HERRING PROSPECTUS
Dated September 29, 2016
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read section 32 of the Companies Act, 2013
Book Built Issue

AVENUE SUPERMARTS LIMITED

Our Company was incorporated as Avenue Supermarts Private Limited on May 12, 2000 at Mumbai, Maharashtra as a private limited company under the Companies Act, 1956. The name of our Company was changed to Avenue Supermarts Limited due to conversion from a private company to a public company on May 3, 2011. For details of changes in the name and the registered office of our Company, see "*History and Certain Corporate Matters*" on page 134.

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
Contact Person: Ashu Gupta, Company Secretary and Compliance Officer; **Tel:** (91 22) 3340 0500; **Fax:** (91 22) 3340 0599
Email: investorrelations@dmartindia.com; **Website:** www.dmartindia.com
Corporate Identity Number: U51900MH2000PLC126473

PROMOTERS OF OUR COMPANY: RADHAKISHAN S. DAMANI, GOPIKISHAN S. DAMANI, SHRIKANTADEVI R. DAMANI, KIRANDEVI G. DAMANI , BRIGHT STAR INVESTMENTS PRIVATE LIMITED, ROYAL PALM PRIVATE BENEFICIARY TRUST, MOUNTAIN GLORY PRIVATE BENEFICIARY TRUST, BOTTLE PALM PRIVATE BENEFICIARY TRUST, GULMOHAR PRIVATE BENEFICIARY TRUST AND KARNIKAR PRIVATE BENEFICIARY TRUST

PUBLIC ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF AVENUE SUPERMARTS LIMITED (OUR "COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING UP TO ₹ 18,700 MILLION. THE ISSUE WILL CONSTITUTE [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE LEAD MANAGERS AND WILL BE ADVERTISED IN [●] EDITIONS OF ENGLISH NATIONAL DAILY NEWSPAPER [●], [●] EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER [●], AND [●] EDITION OF THE MARATHI NEWSPAPER [●] (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA WHERE OUR REGISTERED OFFICE IS LOCATED) EACH WITH WIDE CIRCULATION AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITES.

In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE by issuing a press release, and also by indicating the change on the websites of the Lead Managers and at the terminals of the Syndicate Members.

In terms of Rule 19(2)(b)(iii) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR"), this is an Issue for at least 10% of the post- Issue paid-up Equity Share capital of our Company. The Issue is being made in accordance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations"), through the Book Building Process wherein 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), provided that our Company may allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price, in accordance with the SEBI Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. All potential investors, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") to participate in the Issue. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "*Issue Procedure*" beginning on page 223.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the equity shares is ₹ 10 each. The Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (determined and justified by our Company, in consultation with the Lead Managers, as stated under "*Basis for Issue Price*" on page 93), should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" beginning on page 13.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an 'in-principle' approval from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be the [●].

GLOBAL CO-ORDINATOR AND BOOK RUNNING LEAD MANAGER	BOOK RUNNING LEAD MANAGERS			
Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC, Plot No. 27, "G" Block Bandra Kurla Complex, Bandra (East) Mumbai - 400 051 Tel: (91 22) 4336 0000 Fax: (91 22) 6713 2447 E-mail: asl.ipo@kotak.com Investor Grievance E-mail: kmccredressal@kotak.com Website: http://investmentbank.kotak.com Contact Person: Ganesh Rane SEBI Registration No.: INM000008704	**Axis Capital Limited** 1st floor, Axis House C 2 Wadia International Centre Pandurang Budhkar Marg, Worli Mumbai - 400 025 Tel: (91 22) 4325 2183 Fax: (91 22) 4325 3000 E-mail: dmart.ipo@axiscap.in Investor Grievance E-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact Person: Kanika Goyal SEBI Registration No.: INM000012029	**Edelweiss Financial Services Limited** 14th Floor, Edelweiss House Off. C.S.T Road, Kalina Mumbai - 400 098 Tel: (91 22) 4009 4400 Fax: (91 22) 4086 3610 E-mail: Dmart.ipo@edelweissfin.com Investor Grievance E-mail: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Sudhanshu Bhasin SEBI Registration No.: INM0000010650	**HDFC Bank Limited** Investment Banking Group Unit No 401& 402, 4th floor Tower B, Peninsula Business Park Lower Parel Mumbai - 400 013 Tel: (91 22) 3395 8019 Fax: (91 22) 3078 8584 E-mail: dmart.ipo@hdfcbank.com Investor Grievance E-mail: investor.redressal@hdfcbank.com Website: www.hdfcbank.com Contact Person: Rishi Tiwari/ Keyur Desai SEBI Registration No: INM000011252	**ICICI Securities Limited** ICICI Center,H.T. Parekh Marg Churchgate Mumbai - 400 020 Tel: (91 22) 2288 2460 Fax: (91 22) 2282 6580 E-mail: dmart.ipo@icicisecurities.com Website: www.icicisecurities.com Investor Grievance E-mail: customercare@icicisecurities.com Contact Person: Govind Khetan SEBI Registration No.: INM000011179

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE ISSUE
Inga Capital Private Limited Naman Midtown, 'A' Wing, 21st Floor Senapati Bapat Marg Elphinstone (West) Mumbai - 400 013 Tel: (91 22) 4031 3489 Fax: (91 22) 4031 3379 E-mail: asl.ipo@ingacapital.com Investor Grievance E-mail: investors@ingacapital.com Website: www.ingacapital.com Contact Person: Ashwani Tandon SEBI Registration No.: INM000010924	**JM Financial Institutional Securities Limited** 7th Floor, Cnergy Appasaheb Marathe Marg, Prabhadevi Mumbai - 400 025 Tel: (91 22) 6630 3030 Fax: (91 22) 6630 3330 E-mail: dmart.ipo@jmfl.com Investor Grievance E-mail: grievance.ibd@jmfl.com Website: www.jmfl.com Contact Person: Lakshmi Lakshmanan SEBI Registration No.: INM000010361	**Motilal Oswal Investment Advisors Private Limited** Motilal Oswal Tower, Rahimtullah Sayani Road Opposite Parel ST Bus Depot, Prabhadevi Mumbai - 400 025 Tel: (91 22) 3980 4200 Fax: (91 22) 3980 4315 E-mail: dmart.ipo@motilaloswal.com Investor Grievance E-mail: moipalredressal@motilaloswal.com Website: www.motilaloswalgroup.com Contact Person: Subodh Mallya/Subrat Panda SEBI Registration No.: INM000011005	**SBI Capital Markets Limited** 202, Maker Tower 'E' Cuffe Parade Mumbai - 400 005 Tel: (91 22) 2217 8300 Fax : (91 22) 2218 8332` E-mail: asl.ipo@sbicaps.com Investor Grievance E-mail: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Kavita Tanwani SEBI Registration: INM000003531	**Link Intime India Private Limited** C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai - 400 078 Tel: (91 22) 6171 5400 Fax: (91 22) 2596 0329 E-mail: asl.ipo@linkintime.co.in Investor Grievance E-mail: asl.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration No.: INR000004058

BID/ ISSUE PROGRAMME	
BID/ISSUE OPENS ON: [●][(1)]	**BID/ISSUE CLOSES ON: [●][(2)]**

(1) *Our Company, in consultation with the Lead Managers, may consider participation by Anchor Investors in accordance with the SEBI Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.*

(2) *Our Company, in consultation with the Lead Managers, may consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings as provided below. References to any legislation, act or regulation shall be to such legislation, act or regulation as amended from time to time.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Tax Benefits", "Financial Statements" and "Main Provisions of the Articles of Association" on pages 97, 161 and 263, respectively, shall have the meaning given to such terms in such sections.

In case of any inconsistency between the definitions given below and definitions contained in the General Information Document, the definitions given below shall prevail.

General Terms

Term	Description
"our Company", "the Company", "the Issuer" or "Avenue Supermarts Limited"	Avenue Supermarts Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Anjaneya CHS Limited, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai - 400 076
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiaries and Associate Company, as applicable

Company Related Terms

Term	Description
AECL	Avenue E-Commerce Limited
AFPPL	Avenue Food Plaza Private Limited
AoA/Articles of Association	Articles of association of our Company, as amended
ARTPL	Align Retail Trades Private Limited
Associate Company	AECL
Auditors/Statutory Auditors	Statutory auditors of our Company, namely, Dalal & Shah LLP, Chartered Accountants
Board/Board of Directors	Board of directors of our Company or a duly constituted committee thereof
Bottle Palm Trust	Bottle Palm Private Beneficiary Trust
Bright Star	Bright Star Investments Private Limited
Corporate Office	B - 72/72A, Wagle Industrial Estate, Road No. 33, Kamgar Hospital Road, Thane - 400 604
DEFPL	Damani Estates and Finance Private Limited
Director(s)	Director(s) of our Company
Equity Shares	Equity shares of our Company of face value of ₹10 each
ESOP Scheme 2013	Avenue Supermarts Limited Employee Stock Option Scheme, 2013
ESOP Scheme 2016	Avenue Supermarts Limited Employee Stock Option Scheme, 2016
Group Companies	Companies which are covered under the applicable accounting standards and also other companies as considered material by our Board, as identified in *"Our Group Companies"* beginning on page 157
Gulmohar Trust	Gulmohar Private Beneficiary Trust
Karnikar Trust	Karnikar Private Beneficiary Trust
Key Management Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI Regulations, Section 2(51) of the Companies Act, 2013 and as disclosed in "*Our Management*" from page 148 to 149
Memorandum of Association/MoA	Memorandum of Association of our Company, as amended
Mountain Glory Trust	Mountain Glory Private Beneficiary Trust
NSJDPL	Nahar Seth & Jogani Developers Private Limited
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI Regulations. For details, see "*Our Promoters and Promoter Group*" from page 155 to 156
Promoters	Promoters of our Company namely, Radhakishan S. Damani, Gopikishan S. Damani, Shrikantadevi R. Damani, Kirandevi G. Damani, Bright Star, Royal Palm Trust, Bottle Palm Trust, Mountain Glory Trust, Gulmohar Trust and Karnikar Trust. For details, see *"Our Promoters and Promoter Group"* beginning on page 151

Term	Description
Registered Office	Anjaneya CHS Limited, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai - 400 076
Registrar of Companies/RoC	Registrar of Companies, Maharashtra at Mumbai. For further details, see "*General Information*" beginning on page 60
Restated Consolidated Financial Information	The restated consolidated financial information of our Company, our Subsidiaries and our Associate Company which comprises of the restated consolidated balance sheet, the restated consolidated profit and loss information and the restated consolidated cash flow information as at and for the financial years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act and restated in accordance with the SEBI Regulations
Restated Financial Information	Collectively, the Restated Consolidated Financial Information and the Restated Standalone Financial Information
Restated Standalone Financial Information	The restated standalone financial information of our Company which comprises of the restated standalone balance sheet, the restated standalone profit and loss and the restated standalone cash flow information as at and for the financial years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 together with the annexures and the notes thereto, which have been prepared in accordance with the Companies Act and restated in accordance with the SEBI Regulations
Royal Palm Trust	Royal Palm Private Beneficiary Trust
Scheme of Amalgamation	Scheme of amalgamation for transfer of undertakings of Koop Consumer Services Private Limited, Amodini Real Estates Private Limited and Shoppers Delight Private Limited to our Company effective from September 14, 2004. For further details, see "*History and Certain Corporate Matters*" on page 135
Shareholders	Holders of Equity Shares of our Company from time to time
Subsidiaries	ARTPL, AFPPL and NSJDPL
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(zn) of the SEBI Regulations

Issue Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot/Allotment/Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI Regulations and the Red Herring Prospectus
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors at the end of the Anchor Investor Bid/Issue Period in terms of the Red Herring Prospectus and the Prospectus which will be decided by our Company, in consultation with the Lead Managers
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/Issue Period	The day, one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price The Anchor Investor Issue Price will be decided by our Company in consultation with the Lead Managers
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Lead Managers, to Anchor Investors on a discretionary basis, in accordance with the SEBI Regulations One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds,

Term	Description
	subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA Bidders	Any Bidder except Anchor Investor
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Axis Capital	Axis Capital Limited
Banker to the Issue/Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue and which is described in "*Issue Procedure*" from page 251 to 253
Bid	An indication to make an offer during the Bid/Issue Period by ASBA Bidders pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Issue Period by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI Regulations The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Issue
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as applicable
Bid Lot	[●]
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and the [●] edition of the Marathi newspaper [●] (Marathi being the regional language of Maharashtra, where the registered office of our Company is situated), each with wide circulation Our Company may, in consultation with the Lead Managers, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations
Bid/Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and the [●] edition of the Marathi newspaper, [●], (Marathi being the regional language of Maharashtra, where the registered office of our Company is situated) each with wide circulation
Bid/Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centers	Centers at which at the Designated Intermediaries shall accept the ASBA Forms, i.e, Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process as provided in Schedule XI of the SEBI Regulations, in terms of which the Issue is being made
Book Running Lead Managers or BRLMs	Axis Capital, Edelweiss, HDFC, INGA, I-Sec, JM Financial, Motilal and SBICAP
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN/Confirmation of Allocation	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who

Term	Description
Note	have been allocated Equity Shares, after the Anchor Investor Bid/Issue Period
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted
Cash Escrow Agreement	Agreement dated [●] entered into by our Company, the Registrar to the Issue, the Lead Managers, the Escrow Collection Bank, the Public Issue Account Banks and the Refund Bank, *inter alia*, for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refunds of the amounts, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, finalised by our Company, in consultation with the Lead Managers Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Banks from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after finalisation of Basis of Allotment
Designated Intermediaries	Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated September 29, 2016, issued in accordance with the SEBI Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue
Edelweiss	Edelweiss Financial Services Limited
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	Lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted
GCBRLM/Global Co -ordinator and Book Running Lead Manager	Kotak
General Information Document/GID	The General Information Document prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI, suitably modified and included in *"Issue Procedure"* from page 231 to 261

Term	Description
HDFC	HDFC Bank Limited
HSBC	Hongkong and Shanghai Banking Corporation Limited
INGA	Inga Capital Private Limited
I-Sec	ICICI Securities Limited
Issue	Initial public offering of up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each, aggregating up to ₹ 18,700 million
Issue Agreement	Agreement dated September 29, 2016 entered into between our Company and the Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	Final price at which Equity Shares will be Allotted to Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of the Red Herring Prospectus The Issue Price will be decided by our Company, in consultation with the Lead Managers on the Pricing Date
JM Financial	JM Financial Institutional Securities Limited
Kotak	Kotak Mahindra Capital Company Limited
Lead Managers	GCBRLM and BRLMs
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot
Monitoring Agency	[●]
Monitoring Agency Agreement	Agreement dated [●] entered into between our Company and the Monitoring Agency
Motilal	Motilal Oswal Investment Advisors Private Limited
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) or [●] Equity Shares which shall be available for allocation to Mutual Funds only, subject to valid Bids being received at or above the Issue Price
Net Proceeds	Proceeds of the Issue less Issue expenses For further information about use of the Net Proceeds and the Issue expenses, see "*Objects of the Issue*" beginning on page 83
Non-Institutional Bidder(s)	All Bidders that are not QIBs or RIBs who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	Portion of the Issue being not less than 15% of the Issue consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price
Non-Resident	A person resident outside India, as defined under FEMA and includes a non resident Indian, FIIs, FPIs and FVCIs
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company, in consultation with the Lead Managers, and will be advertised, at least five Working Days prior to the Bid/Issue Opening Date, in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and the [●] edition of the Marathi newspaper [●] (Marathi being the regional language of Maharashtra, where the Registered Office of our Company is situated), each with wide circulation
Pricing Date	Date on which our Company, in consultation with the Lead Managers, will finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI Regulations containing *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information including any addenda or corrigenda thereto
Public Issue Account	Bank account opened under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Issue Account Bank	Bank(s) with which the Public Issue Account(s) shall be maintained, in this case being [●]
QIB Portion	Portion of the Issue (including the Anchor Investor Portion) being 50% of the Issue consisting of [●] Equity Shares which shall be Allotted to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Issue Price
Qualified Institutional Buyers or QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations
Red Herring Prospectus or RHP	The red herring prospectus to be issued in accordance with Section 32 of the

Term	Description
	Companies Act, 2013 and the provisions of the SEBI Regulations, which does not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue including any addenda or corrigenda thereto. The red herring prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account	The account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank	[●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the Lead Managers and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Agreement dated September 26, 2016 entered into among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Issue/Registrar	Link Intime India Private Limited
Retail Individual Bidder(s)/RIB(s)	Individual Bidders who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	Portion of the Issue being not less than 35% of the Issue consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations subject to valid Bids being received at or above the Issue Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s) QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date.
SBICAP	SBI Capital Markets Limited
Self Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time
Specified Locations	Bidding centers where the Syndicate shall accept ASBA Forms from Bidders
Syndicate	Lead Managers and the Syndicate Members
Syndicate Agreement	Agreement dated [●] entered into amongst the Lead Managers, the Syndicate Members and our Company in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Underwriters	[●]
Underwriting Agreement	Agreement among the Underwriters and our Company to be entered into on or after the Pricing Date
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, it shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/ Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Technical/Industry Related Terms/Abbreviations

Term	Description
Built up area	Total constructed area including basement parking and machine rooms which is identified as "built up area" under the relevant sale or lease arrangements or under the

Term	Description
	relevant approvals issued by the statutory authorities in relation to relevant property
B&M	Brick and mortar
CAGR / Compounded Annual Growth Rate	Annualised average year-over-year growth rate over a specified period of time calculated as per the following formula: *(End Value/Beginning Value)^(1/number of years) – 1*
CCTV	Closed-Circuit Television
Cost of Goods Sold	Cost of goods sold is calculated as the sum of purchase of stock-in trade and changes in inventory of stock-in trade. It includes all costs of purchase incurred in bringing the inventories to their present condition and location, subsequent variations in cost or quantities of such purchases and difference between values of stocks at the beginning and ending of the periods reported.
D&O	Directors and Officers
EDLC/EDLP	Every Day Low Cost/ Every Day Low Price
ERP	Enterprise Resource Planning
F&G	Foods and Groceries
Fixed assets turnover ratio	Revenue from operations divided by total net fixed assets
FMCG	Fast Moving Consumer Goods
Foods	A product vertical pursuant to our internal classification which includes staples, groceries, fruits and vegetables, snacks and processed foods, dairy and frozen products, beverages and confectionery
General Merchandise & Apparel	A product vertical pursuant to our internal classification which includes bed and bath products, home appliances, furniture, crockery, utensils, plastic goods, garments and footwear
HVAC	High Voltage Alternating Current
Inventory turnover ratio	Revenue from operations divided by average inventory
IT	Information Technology
LFL growth/Like for like growth	Growth in revenue from sales of same stores which have been operational for atleast 24 months at the end of a Fiscal.
NCR	National Capital Region
Non-Foods (FMCG)	A product vertical pursuant to our internal classification which includes home care products, personal care and toiletries and other OTC products
OTC	Over The Counter
Retail Business Area	The total built-up area of a store less parking space, machine rooms and basement parking other than if used for storage
Revenue from Sales	Revenue from operations less other operating income
Revenue from Sales per Retail Business Area sq. ft	Annualized Revenue from Sales from stores calculated on the basis of 365 days in a year (on standalone basis) divided by Retail Business Area at the end of the Fiscal
ROE	Return on Equity
SKU	Stock Keeping Unit
sq. ft.	Square Feet
Technopak	Technopak Advisors Private Limited
Technopak Report	The report titled "*Industry Report on Indian Food and General Merchandise Retail Industry*" dated August 2016 issued by Technopak

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
AGM	Annual General Meeting
AS/Accounting Standards	Accounting Standards notified under the Companies Act
Bn/bn	Billion
BSE	BSE Limited
Category I foreign portfolio investors	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II foreign portfolio investors	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III foreign portfolio investors	FPIs who are registered as "Category III foreign portfolio investors" under the SEBI FPI Regulations
CCI	Competition Commission of India
Central Government	Government of India

Term	Description
/GoI/Government	
CIN	Corporate Identity Number
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder
Competition Act	The Competition Act, 2002
Contract Labour Act	Contract Labour (Regulation and Abolition) Act, 1970
CST Act	Central Sales Tax Act, 1956
Customs Act	The Customs Act, 1962
DIN	Director Identification Number
ECA	The Essential Commodities Act, 1955
EGM	Extraordinary General Meeting
EPFO	Employees Provident Fund Organisation
EPS	Earnings Per Share
ESI Act	Employees' State Insurance Act, 1976
ESIC	Employees State Insurance Corporation
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DIPP under D/o IPP F. No. 5(1)/2016-FC-1 dated the June 7, 2016, effective from June 7, 2016
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations
Financial Year/Fiscal/ Fiscal Year/FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FIR	First Information Report
FPI(s)	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FSS Act	The Food Safety and Standards Act, 2006
FSS Regulations	Food Safety and Standards Rules, 2011
FSSAI	Food Safety and Standards Authority of India
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross domestic product
GST	Goods and Services Tax
ICAI	The Institute of Chartered Accountants of India
ICDS	Income Computation and Disclosure Standards
IFRS	International Financial Reporting Standards
Income Tax Act / IT Act	The Income Tax Act, 1961
Ind AS	Indian Accounting Standards
India	Republic of India
Indian Accounting Standard Rules	The Companies (Indian Accounting Standards) Rules of 2015
Indian GAAP	Generally Accepted Accounting Principles in India
IST	Indian Standard Time
IT	Information Technology
Legal Metrology Act	Legal Metrology Act, 2009
MCA	Ministry of Corporate Affairs, Government of India
MCLR	Marginal Cost of Funds Based Lending Rate
Mn/mn	Million
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NAV	Net Asset Value
NCDs	Non convertible debentures
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Ministry of Corporate Affairs, Government of India

Term	Description
NR	Non-resident
NRE Account	Non Resident External Account
NRI	A person resident outside India, who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2000 or an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PFA Act	Prevention of Food Adulteration Act, 1954
PFA Rules	Prevention of Food Adulteration Rules, 1955
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
Securities Act	U.S. Securities Act of 1933
Sq. ft./sq.ft.	Square feet
Stamp Act	The Indian Stamp Act, 1899
State Government	The government of a state in India
Stock Exchanges	The BSE and the NSE
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
Trade Marks Act	Trade Marks Act, 1999
U.S./USA/United States	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/US$	United States Dollars
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
WHO	World Health Organisation

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to "India" in this Draft Red Herring Prospectus are to the Republic of India and all references to

"USA", "US" and "United States" are to the United States of America.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise, financial data included in this Draft Red Herring Prospectus is derived from the Restated Financial Information, prepared in accordance with the Companies Act and restated in accordance with SEBI Regulations.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal place and all percentage figures have been rounded off to two decimal places and accordingly there may be consequential changes in this Draft Red Herring Prospectus.

Our Company's Financial Year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the 12 month period ended on March 31 of that year. The Restated Standalone Financial Information and Restated Consolidated Financial Information as of and for the Financial Years ended March 31, 2016, 2015, 2014, 2013 and 2012 are included in this Draft Red Herring Prospectus.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. The reconciliation of the financial information to IFRS or U.S. GAAP financial information has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus, and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. In addition, see "*Risk Factors - Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investor's assessment of our Company's financial condition*" on page 33. Further, for risks in relation to Ind AS, see "*Risk Factors - Our Restated Financial Information for the preceding five years, on a standalone as well as consolidated basis, included in this Draft Red Herring Prospectus have been prepared in accordance with the Companies Act and the SEBI Regulations, which vary in certain respects from other accounting principles, including Ind AS. These regulations may also vary with ICDS, which may be material to an investor's assessment of our results of operations and financial condition.*" from page 29 to 30. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, Ind AS, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, Ind AS, the Companies Act, the SEBI Regulations on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless otherwise indicated, any percentage amounts, as set forth in this Draft Red Herring Prospectus, including in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 13, 119 and 167 respectively, have been calculated on the basis of the Restated Financial Information prepared in accordance with the Companies Act and restated in accordance with the SEBI Regulations.

Currency and Units of Presentation

All references to:

- "₹" or "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India; and
- "US$" or "USD" are to United States Dollars, the official currency of the United States of America.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000.

Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the U.S. Dollar:

(*in* ₹)

Currency	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
1 USD	66.33	62.59	60.10*

Source: www.rbi.org.in

* *Exchange rate as on March 28, 2014, as RBI reference rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, a Sunday and a Saturday, respectively.*

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the report titled *"Industry Report on Indian Food and General Merchandise Retail Industry"* dated August 2016 by Technopak and publicly available information as well as other industry publications and sources. The Technopak Report has been prepared at the request of our Company.

Industry publications generally state that information contained in those publications has been obtained from sources believed to be reliable but their accuracy, timeliness and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. The industry data used in this Draft Red Herring Prospectus has not been independently verified by the Lead Managers or our Company, or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors - We have not independently verified certain data in this Draft Red Herring Prospectus*" from page 32 to 33. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI Regulations, "*Basis for Issue Price*" beginning on page 93 includes information relating to our peer companies. Such information has been derived from publicly available sources, and neither we nor the Lead Managers have independently verified such information.

The extent to which market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which our business is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, *inter alia*, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- our inability to offer daily low prices pursuant to our EDLC/EDLP pricing strategy;
- our inability to acquire land or enter into leases at suitable locations for our expansion;
- our inability to maintain optimum levels of inventory at our stores;
- failure to attract, retain, train and optimally utilise our management team and other skilled manpower;
- our inability to promptly identify and respond to changing customer preferences or evolving trends; and
- our inability to negotiate and obtain favourable terms from our suppliers.

For further discussion on factors that could cause actual results to differ from expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 13, 119 and 167, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Lead Managers nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI Regulations, our Company and the Lead Managers will ensure that the investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment decision in our Equity Shares. If any one or a combination of the following risks actually occurs, our business, prospects, financial condition and results of operations could suffer and the trading price of our Equity Shares could decline and you may lose all or part of your investment. The risks described below are not the only ones relevant to us or our Equity Shares or the industry and regions in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition.

To obtain a more detailed understanding of our Company, prospective investors should read this section in conjunction with "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 119 and 167, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further details, see "Forward-Looking Statements" on page 12.

Unless specified or quantified in the relevant risks factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Consolidated Financial Information.

INTERNAL RISK FACTORS

1. ***If we are unable to continue to offer daily low prices pursuant to our EDLC/EDLP pricing strategy, we risk losing our distinct advantage and a substantial portion of our customers which will adversely affect our business, financial condition and results of operations. Further, in case of shortages, our suppliers may increase prices of products beyond our control due to which we may lose our competitive advantage.***

    One of our key strengths has been our ability to offer our customers value-retailing and daily low prices and consequently greater daily savings. This has been possible in part due to our strong supplier and vendor relationships and our pricing strategies. There have been instances, however, when we have faced supply and pricing challenges. For instance, prices of several pulses significantly increased in several of our markets in Fiscal 2016. While we try to reduce our margins in such instances, there are commercial limitations to this approach and we may not always be able to offer our products at price points which represent value for money, a key attraction for a majority of our target customer base.

    Several of our competitors including e-tailers offer promotional prices on select products at a given time period or around festivals, holidays or weekends. We have not followed this model in the past and do not intend to follow it in the future. While we have managed to grow our customer base in the past, there can be no assurance that our target customer base will not develop a preference for the promotion model and be attracted to promotional deals offered by our competitors.

    Moreover, our competitors may have a significant pricing or locational advantage in specific markets owing to various factors including differing scales of operations and the sizes of their distribution centres. They may also have diversified their presence in more geographical areas and may therefore be in a better position to consolidate their market share.

    Our ability to maintain and enhance our competitiveness through our EDLC/EDLP pricing strategy will have a direct effect on our business, financial condition and results of operations. There can be no assurance that similar shortages and price hikes will not take place in the future. If we are unable to maintain our pricing competitiveness and are not able to effectively respond to competition from existing retailers and prospective entrants and consequent pricing pressures, it will adversely affect our business, financial condition and results of operations.

    Further, in relation to General Merchandise & Apparel products, we do not have fixed terms of trade with the majority of our distributors or suppliers. Accordingly, we may not have access to additional discounts and special schemes offered by such distributors and suppliers, which may make it difficult for us to always follow the EDLC/EDLP strategy.

2. ***If we are unable to purchase real estate or enter into long-term leasehold arrangements or enter into rental agreements at locations suitable for new stores, distribution centres or packing centres for our expansion at terms commercially beneficial to us, it may adversely affect our expansion and growth plans.***

As we expand our store network, we will be exposed to various challenges, including those relating to identification of potential markets and suitable locations for our new stores, obtaining land or leases for such stores, competition, different cultures and customer preferences, regulatory regimes, business practices and customs.

As a new store location should satisfy various parameters to make an attractive commercial proposition, finalisation of location and property acquisition for our new stores is an evolving process which may not progress at the same pace as in the past or at the expected pace. Further, the ownership model requires greater capital for opening of each store due to which we may not be able to expand at our historical rates. We may be required to obtain loans to finance such expansion and there can be no assurance that such loans will be available to us on commercially acceptable terms, or at all.

If we are unable to identify and obtain suitable locations for our expansion on terms commercially beneficial to us, it may adversely affect our expansion and growth plans.

3. ***Our inability to maintain an optimal level of inventory in our stores may impact our operations adversely.***

We estimate our sales based on the forecast, demand and requirements for the forthcoming season. In general, the orders are placed a few months before the actual delivery of products in the stores. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively and to maintain a full range of products at our stores. We currently function on a low inventory level model. We typically maintain inventory levels that are sufficient for a few days of operation.

Natural disasters such as earthquakes, extreme climatic or weather conditions such as floods or droughts, or natural conditions such as crop disease, pests or soil erosion, may adversely impact the supply of fresh products and local transportation. Should our supply of products be disrupted, we may not be able to procure an alternate source of supply of products in time to meet the demands of our customers, or we may not be able to procure products of equal quality or on equally competitive terms, or at all. Such disruption to supply would materially and adversely affect our business, profitability and reputation. In addition, disruptions to the delivery of products to our distribution centres and stores may occur for reasons such as poor handling, transportation bottlenecks, or labour strikes, which could lead to delayed or lost deliveries or damaged products and disrupt supply of these products. Further, for some of our merchandise and apparel, we have limited distribution centres for supply to our stores. If operations at such distribution centres are affected for any reason, our supply chain for all our stores in respect of such merchandise and apparel will be adversely affected.

To improve our line capability, we try to stock our inventory in our distribution centres due to limitations of space in our stores. Ensuring shelf availability of our products requires prompt turnaround time and a high level of coordination across suppliers, distribution centres or stores and staff.

In addition, even if we are able to arrange for sale of all our stock, we cannot ensure that products are not consumed by consumers subsequent to the expiry of the shelf life, which may lead to health hazards. While we display the shelf life in the packing of our products, we may face claims for damages or other litigation in the event our products are sold and consumed subsequent to expiry of their shelf life. Any or all of these factors could adversely affect our reputation, and consequently our business, prospects and financial performance.

Although there are checks to avoid under-stocking and over-stocking, our estimates and forecasts are not always accurate. Due to our EDLC/EDLP pricing strategy, we have very limited flexibility to mark down prices of products which are nearing their expiry date. If we over-stock inventory, our capital requirements will increase and we will incur additional financing costs. If we under-stock inventory, our ability to meet customer demand and our operating results may be adversely affected. Any mismatch between our planning and actual consumer consumption could lead to potential excess inventory or out-of-stock situations, either of which could have an adverse effect on our business, financial condition and results of operation.

4. ***Our ability to attract customers is dependent on the location of our stores and any adverse development impairing the success and viability of our stores could adversely affect our business, financial condition and results of operations.***

Our stores are typically located in densely populated residential areas and neighbourhoods keeping in mind accessibility and potential for future development. Sales are derived, in part, from the volume of footfalls in these locations. Store locations may become unsuitable due to and our sales volume and customer traffic generally may be adversely affected by, among other things, changes in primary occupancy in a particular area from residential to commercial, competition from nearby retailers and unorganised kirana shops, changing customer demographics, changing lifestyle choices of customers in a particular market and the popularity of other businesses located near our stores.

Given that we own the real estate underlying majority of our stores or have otherwise entered into long-term leases, our success is dependent upon the continued popularity of particular locations. Changes in areas around our store locations that result in reductions in customer footfalls or otherwise render the locations unsuitable could result in reduced sales volume, which could materially and adversely affect our business, financial condition and results of operations.

5. ***If we are unable to effectively manage our expanded operations or pursue our growth strategy, our new stores may not achieve our expected level of profitability which may adversely affect our business prospects, financial condition and results of operations.***

Our business and operations have grown rapidly in recent years. We expanded our retail network from one store in 2002 to 112 stores as of September 15, 2016 and we plan to open more stores in the future. As of September 15, 2016, we also have 21 distribution centres and six packing centres. As part of our growth strategy, we plan to further enhance our existing market position in Maharashtra and Gujarat, increase our store network in certain southern states of India including Andhra Pradesh, Telangana and Karnataka and in northern India.

As we expand our store network, we will be exposed to various challenges, including those relating to identification of potential markets, different cultures and customer preferences, regulatory regimes and business practices.

We will also be required to obtain certain approvals to carry on business in new locations and there can be no assurance that we will be successful in obtaining such approvals. Further, we expect our expansion plans to place significant demands on our managerial, operational and financial resources, and our expanded operations will require further training and management of our employees and the training and induction of new employees. There can also be no assurance that our increased distribution centre capacity will be sufficient to meet the increased requirements of our expanded retail network. In addition, as we enter new markets, we face competition from both organised and unorganised retailers, who may have an established local presence, and may be more familiar with local customers' preferences and needs.

Successful operation of our new stores will be successful depends on a number of factors, including:

- our ability to position our new stores to successfully establish a foothold in new markets and to execute our business strategy in new markets;
- our ability to successfully integrate the new stores with our existing operations and achieve related synergies;
- our ability to introduce an optimal mix of merchandise which successfully meets local customer preferences at attractive prices;
- our ability to negotiate and obtain favourable terms from our suppliers;
- the effectiveness of our marketing campaigns;
- our ability to hire, train and retain skilled personnel;
- the competition that we face from incumbent and new retailers in the region; and
- any government development or construction plans around our planned sites which could have an impact on the external traffic flow to our stores and the timely implementation of such changes.

While we have not closed any of our stores due to commercial considerations in the past, if any of our new stores does not break even or achieve our expected level of profitability within our expected timeframe, or at all, our expansion plans and our results of operations, financial condition and profitability may be materially and adversely affected and we may decide to close some of our stores. Finally, if we are forced to close any of our stores, we may not be able to realise our investment cost since our stores are custom-built for our business and due to other factors.

Furthermore, any new construction project can also be subject to schedule overrun or government approval, which can both lead to additional costs and lost time.

Our total revenue has grown at a Componunded Annual Growth Rate (CAGR) of 35.28% from ₹47,023.25 million in Fiscal 2014 to ₹86,061.05 million in Fiscal 2016. Our net profit after tax, as restated, has grown at a CAGR of 41.08% from ₹1,613.72 million in Fiscal 2014 to ₹3,212.07 million in Fiscal 2016. Our historic growth rates or results of operations are not representative or reliable indicators of our future performance. While we intend to continue to expand our operations in India, we may not be able to sustain historic growth levels, and may not be able to leverage our experience in our existing markets in order to grow our business in new markets. An inability to effectively manage our expanded operations or pursue our growth strategy may lead to operational and financial inefficiencies, which could have a material adverse effect on our business prospects, financial condition and results of operations.

6. Our inability to promptly identify and respond to changing customer preferences or evolving trends may decrease the demand for our products among our customers, which may adversely affect our business.

We offer a wide variety of products within our broad product categories, namely, Foods, Non-Foods (FMCG) and General Merchandise and Apparel to our customers. The markets for some of our products such as home and personal care and apparel are characterised by frequent changes, particularly customer preferences, new products and product variant introductions. We plan our products based on the forecast of customer buying patterns as well as on forecasted trends and customer preferences in the forthcoming seasons. Any mismatch between our forecasts, our planning and the actual purchase by customers can impact us adversely, leading to excess inventory or under-stocking, impacting us adversely.

Customer preferences in the markets we operate in are difficult to predict and changes in those preferences or the introduction of new products by our competitors could put our products at a competitive disadvantage. While we primarily retail 'value for money' products, there is no certainty that such products would be continued to be preferred by our customers over more expensive substitutes.

In relation to several of our products and apparel, we depend substantially on our ability to carry new products or those in line with recent trends, to expand our operations and market share. Before we can introduce a new product, we must successfully execute a number of steps, including successful market research, obtaining registrations for our private labels and merchandising, customer acceptance of our new products, while scaling our vendor and infrastructure networks to increase or change the nature of our inventory. We likewise depend on the successful introduction of new production and manufacturing processes by our vendor partners to create innovative products, achieve operational efficiencies and adapt to technological advances in, or obsolescence of their technology while ensuring that such products continue to remain affordable.

Our continued success depends on our ability to anticipate, gauge and react in a timely and cost-effective manner to changes in customer tastes for our products, as well as to where and how customers shop for those products. We must continually work to stock and retail new products, maintain and enhance the recognition of our brands, achieve a favourable mix of products, and refine our approach as to how and where we market and sell our products. While we try to introduce new products or variants, we recognise that customer tastes cannot be predicted with certainty and can change rapidly, and that there is no certainty that these will be commercially viable or effective or accepted by our customers. If we are unable to foresee or respond effectively to the changes in market conditions, there may be a decline in the demand for our products, thereby reducing our market share, which could adversely affect our business and results of operations.

7. We may not be successful in maintaining and enhancing awareness of our brands. Any fall in our brand's reputation may adversely affect our business, results of operations and prospects.

We believe the "D-Mart" name commands strong brand recognition due to its long presence in the markets in which we operate. Our success depends on our ability to maintain the brand image of our existing products and effectively build our brand image for new products and brand extensions. Decrease in product quality due to reasons beyond our control or allegations of product defects, misbranding, and adulteration or unsafe for consumption even when false or unfounded, could tarnish the image and may cause customers to choose other products. Further, there can be no assurance that our established brand name will not be adversely affected in the future by events that are beyond our control. In the event that (i) we are unable to leverage on the "D-Mart" name for any reason, (ii) our group companies' actions or incidences adversely affect the "D-Mart" brand name, or (iii) customer complaints or adverse publicity from any other source damages our brand, our business, financial condition and results of operations may be adversely affected. For more details, see "*Outstanding Litigation and Material Developments*" beginning on page 186.

As the majority of our income is derived from our retail activities, creating and maintaining public awareness of our brand is crucial to our business and we accordingly invest in various marketing and advertising campaigns. If these campaigns are poorly executed, or customers lose confidence in our brand for any reason, it could harm our ability to attract and retain customers. There can be no assurances that we will be able to sustain optimal levels of marketing, advertising and branding initiatives in the future.

Maintaining and enhancing our brand and private labels may require us to make substantial investments in areas such as outlet operations, marketing and employee training, and these investments may not be successful. We intend to expand into new geographic markets such as certain parts of northern India, and customers in these markets may not accept our brand. Our brands are also limited to mid-price range and do not cover the lowest or highest price ranges in a particular product category. Although we constantly evaluate business opportunities, including the increase of portfolio brands and increasing the geographical reach of existing partner brands by increasing store count, this is a dynamic process and therefore subject to change on the basis of various parameters and there can be no assurance that we will be able to do this successfully.

We anticipate that as our business expands into new markets and as our markets become increasingly competitive, maintaining and enhancing our brand may become increasingly difficult and expensive. Since we have various brands which span different price points, we may not be able to focus or have the resources to market all our brands. Additionally, our presence across various price points would require us to expend efforts and make investments on marketing multiple brands thereby increasing our costs. If we are unable to enhance the visibility of our brands, it would have an adverse effect on our business, and our financial condition.

8. ***We generated a majority of our sales from our stores in Maharashtra and Gujarat and any adverse developments affecting our operations in these two states could have an adverse impact on our revenue and results of operations.***

For the year ended March 31, 2016, our stores in Maharashtra and Gujarat together contributed 81.40% of our total revenue. Furthermore, 18 out of our 21 distribution centres are located in Maharashtra and Gujarat.

We may continue to open more stores in Maharashtra and Gujarat. Existing and potential competitors to our businesses may increase their focus on these two states, which could reduce our market share. For example, our competitors may intensify their efforts in these states to capture a larger market share by launching aggressive promotional campaigns.

The concentration of our operations in these two states heightens our exposure to adverse developments related to competition, as well as economic, political, demographic and other changes, which may adversely affect our business prospects, financial conditions and results of operations. Any adverse development that affects the performance of the stores or distribution centres located in these two states could have a material adverse effect on our business, financial condition and results of operations. Our past store sales may not be comparable to or indicative of future sales.

Additionally, while opening new stores, we consciously follow a cluster-based approach which leads to concentration of our business in a relatively small area rather than a widespread presence. More than one store located close to each other in a cluster may lead to each such store eating into the sales of the other stores in the cluster leading to falling sales in each of such stores.

If our cluster based approach fails or leads to reduction of individual store sales due to over-crowding in a small area, it may lead to lower revenues which could have a material adverse effect on our business, financial condition and results of operations.

9. ***Our Company, Subsidiaries, Promoters, Group Companies and Directors are involved in certain legal proceedings and potential litigations. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business and results of operations.***

Our Company and our Subsidiaries, Promoters, Group Companies and Directors are currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The summary of outstanding litigation in relation to criminal matters, direct tax matters, indirect tax matters and actions by regulatory/ statutory authorities against our Company, and our Subsidiaries, Promoters, Group Companies and Directors have been set out below. Further, the summary of the outstanding matters also include other outstanding matters pending against our Company and our Subsidiaries, Promoters, Group Companies and Directors which exceed the applicable materiality threshold as determined by our Board.

Litigation against our Company

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ million)
Criminal matters	11	-
Direct tax matters	14	118.53
Indirect tax matters	10	53.14
Action by regulatory/ statutory authorities	13	9.91
Other matters exceeding ₹32.06 million or other material litigation	3	237.51

Litigation against our Subsidiaries

AFPPL

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ million)
Criminal matters	1	-
Direct tax matters	3	0.02
Indirect tax matters	2	6.10
Action by regulatory/ statutory authorities	2	-

ARTPL

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ million)
Direct tax matters	6	0.32

Litigation against our Promoters

Radhakishan S. Damani

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ million)
Action by regulatory/ statutory authorities	1	-

Gopikishan S. Damani

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ million)
Action by regulatory/ statutory authorities	2	-

Kirandevi G. Damani

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ million)
Action by regulatory/ statutory authorities	2	-

Bright Star

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ million)
Direct tax matters	2	1.03
Action by regulatory/ statutory authorities	2	-

Litigation against our Group Companies

DEFPL

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ million)
Action by regulatory/ statutory authorities	2	-
Direct tax matters	3	5.64

Litigation against our Directors

Ignatius Navil Noronha

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ million)
Criminal matters	1	-

Ramakant Baheti

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ million)
Criminal matters	1	-

Ramesh S. Damani

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ million)
Criminal matters	1	-

For further details, see "*Outstanding Litigation and Material Developments*" beginning on page 186.

Decisions in any of the aforesaid proceedings adverse to our interests may have a material adverse effect on our business, future financial performance and results of operations. If the courts or tribunals rule against our Company or our Promoters, Subsidiaries, Group Companies and Directors, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities.

10. Our business is manpower intensive and a high proportion of our total staff comprises of employees on contract. Our business may be adversely affected if we are unable to obtain employees on contract or at commercially attractive costs.

Our success depends on our ability to attract, hire, train and retain skilled customer and sales personnel. In the retail industry, the level and quality of sales personnel and customer service are key competitive factors and an inability to recruit, train and retain suitably qualified and skilled sales personnel could adversely impact our reputation, business prospects and results of operations.

Our business is manpower intensive and our continued growth depends in part on our ability to recruit and retain suitable staff. As we expand our network, we will need experienced manpower that has knowledge of the local market and the retail industry to operate our stores. Typically, the retail industry suffers from high attrition rates especially at the store level. We have faced increasing competition for management and skilled personnel with significant knowledge and experience in the retail sector in India. There can be no assurance that attrition rates for our employees, particularly our sales personnel, will not increase. A significant increase in our employee attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and customer relationships, and an increase in recruitment and training costs, thereby materially and adversely affecting our business, results of operations and financial condition. We cannot assure you that we will be able to find or hire personnel with the necessary experience or expertise to operate our retail stores in our existing markets or new markets that we are entering into. In the event that we are unable to hire people with the necessary knowledge or the necessary expertise, our business may be severely disrupted, financial condition and results of operations may be adversely affected.

Furthermore, a high proportion of our total staff has typically comprised of employees on contract. As of August 31, 2016, we had only 4,225 full-time employees compared to a significantly higher number of employees on contract. While we believe that such a high proportion of employees on contract gives us the necessary flexibility and helps us run our business in an efficient and cost-effective manner, it also makes us more susceptible to sudden shortages and lack of skilled personnel while competing for them with our competitors in the market we operate.

Additionally, we have seen an increasing trend in manpower costs in India, which has had a direct impact on our employee costs and consequently, on our margins. Further, the minimum wage laws in India may be amended leading to upward revisions in the minimum wages payable in one or more states in which we currently operate or are planning to expand to. We may need to increase compensation and other benefits in order to attract and retain key personnel in the future and that may materially affect our costs and profitability. We cannot assure you that as we continue to grow our business in the future, our employee costs coupled with operating expenses will not significantly increase.

11. Inability to manage losses due to fraud, employee negligence, theft or similar incidents may have an adverse impact on us.

Our business and the industry we operate in are vulnerable to the problem of product shrinkage. Shrinkage at our stores or our distribution centres may occur through a combination of shoplifting by customer, pilferage by employee, damage, obsolescence and expiry and error in documents and transactions that go un-noticed. The retail industry also typically encounters some inventory loss on account of employee theft, shoplifting, vendor fraud, credit card fraud and general administrative error.

Our business operations also involve a majority of cash transactions. Although we have set up various security measures, we have in the past experienced such incidents.

An increase in product shrinkage levels at our existing and future stores or our distribution centres may force us to install additional security and surveillance equipment, which will increase our operational costs and may have an adverse impact on our profitability. Further, we cannot assure you whether these measures will successfully prevent product shrinkage. Furthermore, although we have cash management procedures and controls in place, there are inherent risks in cash management including, theft and robbery, employee fraud and the risks involved in transferring cash from our stores to banks. Finally, there have been instances of employee dishonesty in the past and we cannot assure you that we will able to completely prevent such incidents in the future. For instance, our Company has filed two separate criminal complaints against our former employees for theft aggregating to ₹0.26 million. Our Company has also filed criminal complaint against four of our customers on charges of shoplifting. For further details, see "*Outstanding Litigation and Material Developments - Litigation by our Company - Criminal proceedings*" on page 190.

Additionally, in case of losses due to theft, fire, breakage or damage caused by other casualties, there can be no assurance that we will be able to recover from our insurer the full amount of any such loss in a timely manner, or at all. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy.

12. In relation to the land we acquire for setting up our stores, we face uncertainty of title. Potential legal proceedings and their outcome in relation to the parcels of land from which we manage and operate our stores, and other matters related thereto, including the non-registration of the land in the name of our Company, could affect our Company's business, results of operations and financial condition.

Title guarantees are difficult to obtain in India as title records provide only for presumptive rather than guaranteed title. The original title to lands may often be fragmented, and land may have multiple owners. Certain lands may have irregularities of title, such as non-execution or non-registration of conveyance deeds and inadequate stamping and may be subject to encumbrances and litigation of which we may not be aware. Though we typically try to obtain title opinions prior to executing a definitive agreement with respect to the project, we cannot assure you that the persons with whom we enter into agreements have clear title to such lands. Further, the method of documentation of land records in India has not been fully computerised and is updated manually. This could result in investigations of property records being time consuming and possibly inaccurate.

While we conduct due diligence and assessment exercises prior to acquiring land or entering into development agreements with land owners and undertaking a project, we may not be able to assess or identify all risks and liabilities associated with the land, such as non-conversion or improper conversion for the proposed land use faulty or disputed title, unregistered encumbrances or adverse possession rights, improperly executed, unregistered or insufficiently stamped conveyance instruments in the property's chain of title, ownership claims of family members of prior owners, or other defects that we may not be aware of. As a result, some of our land may not have marketable title which has been independently verified. As each transfer in a chain of title may be subject to these and other defects, our title and development rights over land may be subject to various defects of which we may be not aware.

Additionally, title insurance is not commercially available in India to guarantee title or development rights in respect of land. The absence of title insurance in India means that title records provide only for presumptive rather than guaranteed title, and we face a risk of loss of lands we believe we own or have development rights over, which would have an adverse effect on our business, financial condition and results of operations.

We have had instances in the past where our title to the property of one of our stores in Pune has been challenged by the legal heirs of Dynanoba Maruti Kate, alleging that the land acquisition officer and the Pune municipal corporation have illegally taken possession over the property and sold it to us. We are also facing a title dispute for one of our properties in Gujarat, between the builder and a third party, where we have been inducted as parties. With respect to a property situated at Chembur, our Company is currently involved in a civil proceeding challenging the sale of the said property to us, and seeking a share in the consideration paid by our Company.For further details in relation to our Chembur property, see "*Outstanding Litigation and Material Developments - Litigation involving our Company - Litigation filed against our Company*" from page 189 to 190.

Legal disputes in respect of land title can take several years and considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. If we or the sellers of the land are unable to resolve such disputes with these claimants, we may lose our interest in the land, being our right to own or develop the land, and we may have to make payments to these claimants as compensation. Further, such litigation could delay the project and adversely affect our business and financial condition. The failure to obtain good title to a particular plot of land and the abandoning of the property as a result may adversely affect our business prospects and may require us to write off expenditures in respect of the development.

If the title, ownership or possession of the land from which we manage and operate our stores (or other matters in relation thereto, including the permitted use of the land, construction activity carried out and environmental issues) is disputed and any adverse order is passed against us in relation to such disputes, we may, amongst others, have to shut down operations at and/or relocate from such location, while being required to bear labour and other costs, which could lead to loss of customers and affect our Company's business, results of operations and financial condition.

13. We may be unable to enforce our rights under some of our agreements with counterparties on account of insufficient stamping and non-registration or other reasons.

We enter into agreements with third parties, in relation to purchase of land or retail space for our retail stores and distribution centres. The terms, tenure and the nature of the agreements may vary depending on, amongst other things, the subject matter of the agreement and the third party involved i.e. government or private. Some of the agreements executed by us may be inadequately stamped or not registered or may not otherwise be enforceable. Inadequately stamped documents may be impounded by the appropriate authority. Such inadequately stamped or not registered documents may not be admissible in evidence in a court of law until the applicable stamp duty, with penalty, has been paid and registered, which could, therefore, impact our ability to enforce our rights under the agreements in a timely manner or at all.

Further, we may not have entered into definitive agreement with the counter-parties, for some of our retail stores and distribution centres. For instance we may have been using a land or retail space for our retail store based on an agreement to sell or an agreement to lease or an MoU. There can be no assurance that we will be able to enforce our rights under these arrangements.

We cannot assure you that we would be able to enforce our rights under such agreements or in respect of such immovable properties, and any inability to do so, could impair our operations and adversely affect our financial condition, cash flows and results of operation.

14. We are subject to risks associated with expansion into new geographic regions.

Expansion into new geographic regions, including different states in India, subjects us to various challenges, including those relating to our lack of familiarity with the culture, legal regulations and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. For instance, we intend to set up new stores in certain parts of northern India. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets.

By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including:

- compliance with a wide range of laws, regulations and practices, including uncertainties associated with changes in laws, regulations and practices and their interpretation;
- uncertainties with new local business partners;
- ability to understand consumer preferences and local trends in such new regions;
- exposure to expropriation or other government actions; and
- political, economic and social instability.

By expanding into new geographical regions, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

15. We do not have definitive agreements or fixed terms of trade with most of our suppliers. Failure to successfully leverage our supplier relationships and network or to identify new suppliers could adversely affect us.

One of the prime reasons we are able to offer value retailing to our customers is our strong relationships with our suppliers. Our growth as a business depends on our ability to attract and retain high quality and cost efficient suppliers to our network. For additional information regarding our supplier relationships, see "*Our Business*" from page 127 to 128.

In order to maintain flexibility in procurement options, we do not have any long-term supply arrangements with most of our suppliers and we procure our products on a purchase order basis. If we are unable to continue to procure supplies at competitive prices, our business will be adversely affected.

Furthermore, the success of our supplier relationships depends significantly on satisfactory performance by our suppliers and their fulfilment of their obligations. If any of our suppliers fails for any reason to deliver the products in a timely manner or at all, it may affect our ability to manage our inventory levels, which in turn, may result in unavailability of the product thereby adversely affecting our customer shopping experience and our reputation.

While we intend to continue to enter into new supplier relationships as a part of our business strategy, we may not be able to identify or conclude appropriate or viable arrangements in a timely manner or at all. Further, there can be no assurance that our relationships with new suppliers in the future will necessarily contribute to a better experience for our customers or to our profitability. If we fail to successfully leverage our existing and new relationships with suppliers, our business and financial performance could be adversely affected.

16. Revenue generated from the Foods category including staples constitutes a majority of our sales revenue. Any sudden fall in the revenues from this category may adversely affect our financial condition and profitability.

Revenue generated from the sale of our Foods product category including staples groceries, fruits and vegetables, snacks and processed foods, dairy and frozen products, beverages and confectionery constituted 53.06% of the Revenue from Sales of our Company for the year ended March 31, 2016.

We believe that we have been successful in this category due to our deep knowledge of product assortment, pricing dynamics and strong supplier relationships. Our success in this category is also, in part, dependent on our ability to offer value for money using EDLC/EDLP pricing strategy. If our competitors are able to successfully follow our EDLC/EDLP pricing strategy or due to a change in customer preferences or any other factors, whether within or beyond our control, our revenue and profitability from this category may decrease and this may result in an adverse effect on the financial condition of our Company.

17. The objects of the Issue have not been appraised by any bank or financial institution and we have not entered into definitive agreements in relation to all of our objects of the Issue. If there are delays or cost overruns in utilisation of Net Proceeds, our business, financial condition and results of operations may be adversely affected.

We intend to utilize the Net Proceeds of the Issue as set forth in "*Objects of the Issue*" from page 88 to 90 for setting up of new stores in several parts of India. We are still in the process of finalising the number of our new stores and identifying the exact location of our new stores that we plan to fund from the Net Proceeds.

The fund requirement mentioned as a part of the objects of the Issue is based on internal management estimates and has not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial condition or business strategies.

We are also yet to identify the exact location of our new stores or enter into agreements for purchase or lease of property for these stores and are yet to obtain necessary approvals that may be required. We have also not placed any orders for purchase of fit outs and constructions related items for the stores we plan to set-up. We have relied on the certificate dated September 27, 2016 prepared by Liladhar Parab, Architect & Designers, and past expenditure in setting up stores for the purposes of estimating utilization of the Net Proceeds in the future. As a consequence of any increased costs, our actual deployment of funds may be higher than our management estimates and may cause an additional burden on our finance plans, as a result of which, our business, financial condition, results of operations and cash flows could be materially and adversely impacted.

Furthermore, we may need to vary the objects of the Issue due to several factors or circumstances including competitive and dynamic market conditions, variation in cost structures, changes in estimates due to cost overruns or delays, which may be beyond our control. Pursuant to Section 27 of the Companies Act, 2013, any variation in the objects of the Issue would require a special resolution of our shareholders, and our Promoters or controlling shareholders will be required to provide an exit opportunity to our shareholders who do not agree to such variation. If our shareholders exercise such an exit option, our share price may be adversely affected.

Further, we are yet to obtain consent from our lenders in relation to prepayment of the loans. We cannot assure you that we will be able to obtain the consent from the lenders in relation to the prepayment of the loans that we intend to prepay from Net Proceeds in a timely manner or at all. No assurance can be given that at the time of grant of consent for prepayment of the loan, the lender will not impose any penalty or fee towards such prepayment.

18. There have been instances in the past of litigation due to perceived deficiency in the products we sell, and we may face potential liabilities in the future from lawsuits or claims from third parties, should they perceive any deficiency in our products, which may adversely impact our business and financial condition.

We believe in providing quality products and due care is taken to mitigate the associated risks which may happen due to factors beyond our control. We may face the risk of legal proceedings and claims being brought against us by our customers on account of sale of any defective product. Further, we could also face liabilities should our customers face any loss or damage due to any unforeseen incident such as fire, or any other accident, in our stores, which could cause financial and other damage to our customers. This may result in lawsuits and /or claims against our Company, which may materially and adversely affect the results of our operations and may also result in loss of business and reputation. We have had litigation under both the Prevention of Food Adulteration Act and the Food Standards and Safety Act with respect to some of our private labels and the other food products that we sell. There have been criminal complaints filed in the respective magistrate's courts against us alleging that the samples of Premia Tea, Lotte Chocopie, Jaipuri Mukhwas, Neo Fresh Namkin Tikha mix, etc., were either substandard or misbranded. For further details, see "*Outstanding Litigation and Material Developments – Litigation against our Company*" on page 187. For further details of material litigation due to perceived deficiency in our products, see "*Outstanding Litigation and Material Developments – Litigation against our Company – Actions by Regulatory and Statutory Authorities*" from page 188 to 189.

Although we have not been subject to any material product liability claims, we cannot assure you that we will not be subject to such claims in the future. Further, even if we successfully defend ourselves against a claim, or successfully claim back compensation from others, we may need to spend a substantial amount of money and time in defending such a claim and in seeking compensation. In any or a combination of these situations, we could suffer losses, which would adversely impact our financial condition. For further details, see "*Our Business – Insurance*" on page 129.

Any claims against us initiated by our customers may have an adverse effect on our reputation, brand image and our financial condition.

19. In the past, our Promoter Group has been penalised by SEBI for certain non-compliance with regulatory rules and bye-laws.

SEBI has imposed penalties on some members of our Promoter Group in the past. The penalties were imposed for various reasons which include non-compliance of SEBI circular on advising stock brokers/clearing members to transfer the securities from their respective CM Pool account to the respective beneficiary account of their clients within 15 days from the pay-out day of the settlement. We cannot assure you that we will not be subject to such penalties in the future.

20. Our Promoters own interests in other retail businesses (of a different format) which have competing business objects and may compete with our Company leading to conflicts of interest.

Our Promoters directly own 50.75% in our Associate Company, Avenue E-Commerce Limited. Although our Associate Company has not yet commenced operations, its objects include e-tailing of products. We cannot assure you that the operations of our Associate Company will not be in the same markets as which we currently operate in and its offerings will not compete with us. Furthermore, some of our Promoters and members of Promoter Group own interests in other retail businesses (of different formats) such as Bombay Swadeshi Stores Limited.

There can be no assurance that our Promoters will not conduct or engage in competing businesses in the future. Further, there is no requirement or undertaking for our Promoters or Associate Company or such similar entities to conduct or direct any opportunities relating to the retail industry only to or through us. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our Associate Company in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour our Associate Company or other companies in which our Promoters have interests in the future.

There can be no assurance that our Promoters or our Group Companies or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours.

Further, our Company has entered into leave and license arrangements with 7 Apple Hotels Private Limited, Promoter Group entity of our Company. For further details, see *"Our Promoters and Promoter Group"* on page 154. We may continue to enter into arrangements with entities where our Promoters are interested and there can be no assurance that our Promoters will not have conflict of interest in such cases.

21. We have significant power requirements for continuous running of our operations and business. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an adverse effect on our business, results of operations and financial condition.

Our stores and distribution centres have significant electricity requirements and any interruption in power supply to our stores or distribution centres may disrupt our operations. Our business and financial results may be adversely affected by any disruption of operations.

We depend on third parties for all of our power requirements. Further, we have limited options in relation to maintenance of power back-ups such as diesel generator sets and any increase in diesel prices will increase our operating expenses which may adversely impact our business margins.

Since we have significant power consumption, any unexpected or significant increase in its tariff can increase the operating cost of our stores and distribution centres. In majority of the markets we operate in, there are limited number of electricity providers due to which in case of a price hike we may not be able to find a cost-effective substitute, which may negatively affect our business, financial condition and results of operations.

22. Our business relies on the performance of our information technology systems and any interruption or failure to migrate to more advanced systems in the future may have an adverse impact on our business operations and profitability.

Our Company has Enterprise Resource Planning (ERP) software which integrates and collates data of, *inter alia,* purchase, sales, reporting, accounting and inventory, distribution centre management, project system and human resource management from all the 112 stores, 21 distribution centres and six packing centres. Our Company utilises its information technology systems to monitor all aspects of its businesses and relies to a significant extent on such systems for the efficient operation of its business, including, the monitoring of inventory levels, the allocation of products to our stores and budget planning, supplemental front-end billing software connected in a batch. Our sales across different stores are reconciled on a daily basis after close of business.

Our Company's information technology systems may not always operate without interruption and may encounter temporary abnormality or become obsolete, which may affect its ability to maintain connectivity with our stores and distribution centres. We cannot assure that we will be successful in developing, installing, running and migrating to new software systems or systems as required for its overall operations. Even if we are successful in this regard, significant capital expenditures may be required, and it may not be able to benefit from the investment immediately. All of these may have a material adverse impact on our operations and profitability.

In addition, we cannot guarantee that the level of information security it presently maintains is adequate or that its systems can withstand intrusions from or prevent improper usage by third parties. Our failure to continue its operations without interruption due to any of these reasons may adversely affect our business, financial condition and results of operations.

23. Our Company requires significant amount of capital for continued growth. Our inability to meet our capital requirements may have an adverse effect on our results of operations.

Our business is capital intensive and requires significant amount of capital for construction of stores and maintenance of inventory levels. As on August 31, 2016, the outstanding amount under the borrowings of our Company is ₹15,004.91 million and of our subsidiary, ARTPL is ₹3.43 million, on a standalone basis.

We intend to continue growing by setting up additional stores. In addition to the requirement of funds as provided in "*Objects of the Issue*" from page 88 to 90, we may need to obtain additional financing in the normal course of business from time to time as we expand our operations. We may not be successful in obtaining additional funds in a timely manner and/or on favourable terms including rate of interest, primary security cover, collateral security, terms of repayment, or at all. Moreover, certain of our loan documentations contain provisions that limit our ability to incur future debt. If we do not have access to additional capital, we may be required to delay, scale back or abandon some or all of our plans or growth strategies or reduce capital expenditures and the size of our operations.

Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations.

24. Some of our loan agreements contain restrictive covenants. Inability to effectively service our borrowings, comply with or obtain waivers of applicable loan covenants, as the case may be, may adversely affect our business, results of operations and financial conditions.

We are subject to usual and customary restrictive covenants in agreements that we have executed with banks for short term loan and long term borrowings. The restrictive covenants require us to seek prior intimation or consent from the lender banks for various activities, including amongst others to, effect any change in the capital structure, alter the constitutional documents or change the shareholding pattern of the Company or pre-paying outstanding loans. Moreover, the real estate underlying some of our stores has been offered as collateral for some of our loans.

Further, under some of the credit facilities availed by our Company, the lenders are entitled to revoke the facility, at any stage, without providing any notice or reasons, demand the repayment of the loan anytime and modify the credit limit without any reason. Under some of the credit facilities availed by us, our lenders are entitled to terminate the credit facility in the event of any default committed by us under other loan facilities. In case we default in any of our outstanding borrowings, we may not be able to declare or issue dividend, without the approval of our lenders. The banks may change the applicable banking policies or increase the interest rates or levy penal interest for non-compliances, if any. Inability to effectively service our borrowings, comply with or obtain waivers of applicable loan covenants, as the case may be, may adversely affect our business, results of operations and financial conditions. For further details, see "*Financial Indebtedness*" on page 183.

25. We are dependent on third parties for the manufacturing and production of all the products we sell. Any failure of such third parties to adhere to the relevant standards may have a negative effect on our reputation, business and financial condition.

We are engaged in the retail business and do not manufacture any products we sell. For our products sold under our private labels, we depend on third party manufacturers including one of our subsidiaries, ARTPL.

We are exposed to the risk of our service providers and vendors failing to adhere to the standards set for them by us and statutory bodies in respect of quality, quantum of production, safety and distribution which in turn could adversely affect our net sales and revenues.

In addition, certain of our service providers and vendors are retained on a non-exclusive basis and may engage in other businesses that may even compete with ours or supply their products to our competitors.

Further, any lost confidence on the part of our customers due to failure of our suppliers to adhere to statutory standards would adversely affect our financial performance. Any delay or failure on the part of the third party manufacturers to deliver the products in a timely manner or to meet our quality standards by such third party manufacturers, or any litigation involving such third parties may cause a material adverse effect on our business, profitability and reputation.

26. We depend on third parties for a major portion of our transportation needs. Any disruptions may adversely affect our operations, business and financial condition.

We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of products from our vendors and for transportation from our distribution centres to various stores. For this purpose, we hire services of transportation companies. However, we have not entered into any definitive agreements with any third party transport service providers and engage them on a needs basis. Additionally, availability of transportation solutions in the markets we operate in is typically fragmented. We rarely enter into written documentation in relation to the transportation services we hire which poses various additional risks including our inability to claim insurance. Further, the cost of our goods carried by such third party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods.

Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost efficient manner. Accordingly, our business is vulnerable to increased transportation costs including as a result of increase in fuel costs, transportation strikes, delays, damage or losses of goods in transit and disruption of transportation services because of weather related problems, strikes, lock-outs, accidents, inadequacies in road infrastructure or other events.

Although we have experienced few disruptions in the past, any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may be cost inefficient, thereby adversely affecting our operations, profitability, reputation and market position.

27. Real or perceived quality or health issues with the products offered at our stores could have a material and adverse effect on our results of operations.

Any adverse claims, media speculation and other public statements relating to us, our Promoters and their respective businesses or the retail industry could materially and adversely affect our reputation and our corporate image, or otherwise affect our ability to conduct our business in the ordinary course, including, without limitation, obtaining and renewing operational licenses and regulatory approvals and establishing and maintaining our relationships with customers and suppliers, and to expand our business, including, without limitation, obtaining the necessary financing for such expansion.

Further, concerns regarding the safety of products offered at our stores or the safety and quality of our supply chain could cause shoppers to avoid purchasing certain products from us, or to seek alternative sources, even if the basis for the concern is outside of our control. Adverse publicity about these concerns, whether or not ultimately based on fact, and whether or not involving products sold at our stores, could discourage customers from buying our products and have a material and adverse effect on our turnover and results of operations. In addition, we cannot guarantee that our operational controls and employee training will be effective in preventing food-borne illnesses, food tampering and other food safety issues that may affect our operations.

We cannot assure you that there will not be incidents of contaminated products or ingredients in the future which may result in product liability claims, product recall and negative publicity and materially and adversely affect our reputation, business, financial condition and results of operations. For example, negative publicity about other industry participants relating to improper conduct could indirectly materially and adversely affect our business and corporate image. Any such claims and allegations may also distract our management from their day to day management responsibilities and may therefore have a material adverse effect on our business, financial condition and results of operations.

28. Our Company depends on the knowledge and experience of one of our Promoters and Key Management Personnel for our growth. The loss of their services may have a material adverse effect on our business, financial condition and results of operations.

Our Company depends on the management skills and guidance of one of our Promoters, Radhakishan S. Damani, for development of business strategies, monitoring its successful implementation and meeting future challenges. Our Key Management Personnel including Ignatius Navil Noronha (Managing Director) and Ramakant Baheti (CFO and Executive Director) complement the vision of our Promoters and perform a crucial role in conducting our day-to-day operations and execution of our strategies. Our Key Management Personnel collectively have several years of experience in managing our various businesses and are difficult to replace. Competition for senior management in the industry in which we operate is intense, and we may not be able to recruit and retain suitable replacements in a timely manner or at all. In the event we are unable to attract and retain managerial personnel or our Key Management Personnel join our competitors or form competing companies, our ability to conduct efficient business operations may be impaired. We also do not have any keyman insurance in place. The loss of the services of such personnel or any of our Promoters and our inability to hire and retain additional qualified personnel may have an adverse effect on our business, financial condition and results of operations.

29. Our Company has applied for registration of certain trademarks in its name. Until such registrations are granted, we may not be able to prevent unauthorised use of such trademarks by third parties, which may lead to the dilution of our goodwill.

We have filed applications for registration of 49 trademarks, under the Trademarks Act, 1999 ("**Trademarks Act**"), which is currently pending approval from the Registrar of Trademarks. There can be no assurance that our trademark applications will be accepted and the trademarks will be registered. Pending the registration of these trademarks we may have a lesser recourse to initiate legal proceedings to protect our private labels. Further, some of our applications for the registration of certain trademarks have been opposed by third parties, and we may have to incur significant cost in relation to these oppositions. In the event we are not able to obtain registrations due to opposition by third parties or if any injunctive or other adverse order is issued against us in respect of any of our trademarks for which we have applied for registration, we may not be able to avail the legal protection or prevent unauthorised use of such trademarks by third parties, which may adversely affect our goodwill and business.

For further details on the trademarks, registered or pending registration, see "*Our Business*" on page 130.

30. Our Company has in the past entered into related party transactions and may continue to do so in the future.

We have entered into and may in the course of our business continue to enter into transactions specified in the Restated Financial Information contained in this Draft Red Herring Prospectus with related parties that include our Promoters and Directors and Group Companies. For further details in relation to our related party transactions, see "*Related Party Transactions*" on page 159. While we believe that all such transactions have been conducted on an arm's length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, including specific compliance requirements such as obtaining prior approval from audit committee, the board of directors and shareholders for certain related party transactions. There can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our financial condition and results of operations.

31. We will continue to be controlled by our Promoters after the completion of the Issue.

After the completion of the Issue, our Promoters will hold, majority of our outstanding Equity Shares. As a result, our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. Our

Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. By exercising their control, our Promoters could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. We cannot guarantee that our Promoters and Promoter Group will act in our interest while exercising their rights.

32. ***We operate in a competitive market and any increase in competition may adversely affect our business and financial condition.***

Our Company faces competition from existing retailers, both organized and un-organised, and potential entrants to the retail industry that may adversely affect our competitive position and our profitability. We expect competition could increase with new entrants coming into retail industry, who may have more flexibility in responding to changing business and economic conditions, and existing players consolidating their positions. Given the recent liberalisation of foreign direct investment laws in the multi-brand retail sector in India and 100% FDI in food retail sector under the approval route, some of our competitors may have access to significantly greater resources, including the ability to spend more on advertising and marketing and hence the ability to compete more effectively.

We face competition across our business activities from varied peers. In relation to Foods category including groceries and staples, we face competition from other organized retail supermarket chains including Big Bazaar, Reliance Retail, Spencers, HyperCity, and Star Bazaar on one hand and unorganised retail kirana shops on the other. In relation to non-food products and other products, we face competition from organised retail chains such as Westside and Max. Further, although e-tailing is not currently a major competitor in the product categories and the markets we operate, we may face increased competition from e-tailing in the future.

Some of our competitors are larger and have greater financial resources or a more experienced management team than us. Like us, they may also benefit from greater economies of scale and operating efficiencies. Competitors may, whether through consolidation or growth, present more credible integrated or lower cost solutions than we do, which may have a negative effect on our sales. Moreover, the foreign investment restrictions in the Indian retail sector have been progressively liberalised giving our domestic competitiors easier access to greater pools of capital and investment. Further, our competitors may set up stores in the vicinity of our existing stores and may offer their products at competitive prices, resulting in a decreasing of sales of our projects. We cannot assure you that we can continue to compete effectively with our competitors. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

33. ***Our Company has had negative cash flows from investing activities and a consequent net decrease in cash and cash equivalents in some of the recent years.***

As per our Restated Consolidated Financial Information, our cash flows from investing activities were negative in the recent Fiscals as set out below:

(In ₹ million)

Particulars	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012
Net cash from / (used in) operating activities	4,471.39	2,220.18	1,981.40	1,270.93	653.64
Net cash from / (used in) investing activities	(6,583.36)	(4,738.83)	(2,701.73)	(2,308.85)	(1,289.15)
Net cash from / (used in) financing activities	2,081.81	2,344.51	652.33	1,175.36	934.91
Net increase/ (decrease) in cash and cash equivalents	(30.16)	(174.14)	(68.00)	137.44	299.40

Such negative cash flows lead to a net decrease in cash and cash equivalents for Fiscals 2014, 2015 and 2016. Any negative cash flow in future could adversely affect our operations and financial conditions and the trading price of our Equity Shares. For further details, see "*Financial Information*" beginning on page 161.

34. ***We have contingent liabilities on our balance sheet, as restated, at March 31, 2016. Further, our Company may be subject to certain penalty proceedings in respect of ongoing tax litigations and our Company has not presently provided for such penalties which may be imposed. If any of these actually occur, they may adversely impact our profitability and may have a material adverse effect on our results of operations and financial condition.***

The following are the contingent liabilities on our balance sheet, as restated, as at Fiscal 2016. If any of these actually occur, they may adversely impact our profitability and may have a material adverse effect on our results of operations and financial condition:

Particulars	2016 (₹ million)
Income Tax Matters	2.95
VAT Matters	31.98
Service Tax Matters	6.91
Other Matters	6.31

The contingent liabilities of our Company arise as our Company is party to certain tax litigations pending before various tribunals and our Company may also be subject to imposition of penalty by the Income Tax Department in relation to such litigations. Our Company has not made provision for such penalties as may be imposed in its contingent liabilities.

35. ***Our insurance cover may not be adequate or we may incur uninsured losses or losses in excess of our insurance coverage.***

We could face liabilities or otherwise suffer losses should any unforeseen incident such as fire, flood, and accidents affect our stores and distribution centres or in the regions/areas where our stores and distribution centres are located. Although we maintain insurance coverage in relation to property, stock and money and fidelity for our stores, there are possible losses, which we may not have insured against or covered or wherein the insurance cover in relation to the same may not be adequate. We may face losses in the absence of insurance and even in cases in which any such loss may be insured, we may not be able to recover the entire claim from insurance companies. Any damage suffered by us in excess of such limited coverage amounts, or in respect of uninsured events, not covered by such insurance policies will have to be borne by us.

While we believe that we have obtained insurance against losses which are most likely to occur in our line of business, there may be certain losses which may not be covered by the Company, which we have not ascertained as at date. Further, while there has been no past instance of inadequate insurance coverage for any loss, we cannot assure that we will continue to accurately ascertain and maintain adequate insurance for losses that may be incurred in the future. Our Company does not maintain D&O, cybercrime, general liablity insurance. We also do not maintain key-man insurance for any of our key personnel and loss of the services of such key personnel may have an adverse effect on our business, financial condition and results of operations. For more details on the insurance policies availed by us, see "*Our Business - Insurance*" on page 129.

36. ***We, through our Associate Company, Avenue e-Commerce Limited, plan to venture into e-tailing business. In the event that there is increased competition from e-tailing generally and particularly from our Associate Company, it may have a material adverse effect or may have a negative impact on our financial performance. On the other hand, if we are unsuccessful in this new venture, it may also have an adverse effect on our financial performance.***

The e-tailing business is highly competitive with companies having a wide variety of products at different price points. Further, many of our competitors have longer operating histories and greater financial resources than us and have more experience in managing internet based businesses. Further, e-commerce has witnessed intense competition in India with deep discounts and regular promotions offered by several e-tailers. We may be unsuccessful in competing against present and future competitors, ranging from large and established companies to emerging start-ups, both Indian and large, multi-national, e-commerce companies operating in India.

Our services pertaining to the e-tailing division are technology driven and any breakdown in our technical systems could adversely affect our business. Such breakdown could come as a result of regular maintenance, upgrades, service failure or cyber-attack. Any failure to circumvent our e-tailing business' vulnerability to cyber-attack could lead to breach of security and both our and customer privacy, which could result in us becoming subject to customer claims and regulatory action, which could also adversely affect our business.

Our markets for products are characterized by rapidly changing customer preferences, and new product introductions. Our results of operations are dependent on our ability to discern such changes in customer preferences and providing new products in line with changes customer preferences. In the event that we are unable to identify prevalent trends and carry products that are well received by our customers, could have a material adverse effect on our business.

37. ***Our Statutory Auditors have included a matter of emphasis in relation to our Company in the Restated Financial Information.***

Our Statutory Auditors have included a matter of emphasis in relation to our Company in the Restated Financial Information in relation to delay and non-appointment of requisite number of independent directors to our Board under the Companies Act, 2013 for Fiscal 2016.

For Fiscal 2016, the Board comprised of only one independent director and in the absence of requisite number of independent directors on the Board, the constitution of each of the Audit Committee and the Nomination & Remuneration Committee were not in accordance with Section 177 and Section 178 of the Companies Act, 2013.

The auditors further reported that the Company represented that it has continued its efforts for appointment of one more independent director by identifying a suitable person having requisite professional qualifications, knowledge and experience and the Board appointed Chandrashekhar B. Bhave as an independent director on May 17, 2016.

While we filed a compounding application with the RoC dated August 1, 2016, there can be no assurance that similar qualification or additional qualifications will not form part of financial statements of our Company for the future fiscal periods. The existence of such deficiencies could subject us to penalties and additional liabilities due to which our reputation and financial condition may be adversely affected.

38. Certain of our Directors and Key Management Personnel hold Equity Shares in our Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses.

Certain of our Directors (including our Promoters) and Key Management Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding or the shareholding of their relatives in our Company. There can be no assurance that our Promoters and our Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. For further details, see "*Our Management*" on page 142 and 149 to 150.

39. Certain of our products are subject to seasonal variations that could result in fluctuations in our results of operations.

Certain of our products are subject to seasonal variations, including the foods and FMCG businesses, primarily due to increased consumption patterns of some products or derivatives in the summer and/or monsoon seasons in India. For example, a major portion of the sales of dry fruits occur between November and January in India; sales of cold beverages increase in the summer months; and a significant share of fresh fruit bunches are harvested in India between May and October. As a result, a substantial share of the income we derive from these products is received during these periods.

Because of these seasonal fluctuations, our sales and results of operations may vary by fiscal quarter, and the sales and results of operations of any given fiscal quarter may not be relied upon as indicators of the sales or results of operations of other fiscal quarters or of our future performance.

40. Our Restated Financial Information for the preceding five years, on a standalone as well as consolidated basis, included in this Draft Red Herring Prospectus have been prepared in accordance with the Companies Act and the SEBI Regulations, which vary in certain respects from other accounting principles, including Ind AS. These regulations may also vary with ICDS, which may be material to an investor's assessment of our results of operations and financial condition.

In accordance with India's roadmap for "Convergence of its existing standards with IFRS", referred to as "Ind AS", announced by the MCA, through press notes dated January 22, 2010, read with the Companies (Indian Accounting Standards) Rules, 2015 issued by the MCA on February 16, 2015, effective April 1, 2015, public companies in India (except banking companies, insurance companies and non-banking financial companies) are required to adopt Ind AS, effective from (i) accounting period beginning on or after April 1, 2016 (with comparatives for the period ending March 31, 2016 or thereafter), for companies with net worth of ₹5,000 million or more; and (ii) accounting periods beginning on or after April 1, 2017 (with comparatives for the period ending March 31, 2017 or thereafter) for listed or to-be-listed companies (i.e. whose equity and/or debt securities are listed or are in the process of being listed on any stock exchange in or outside India) with net worth less than ₹5,000 million and unlisted companies with net worth between ₹ 2,500 million and ₹ 5,000 million. These requirements also apply to any Indian domiciled and incorporated holding company, subsidiary, joint venture or associate companies of such companies. Accordingly, for statutory reporting purposes under the Companies Act, our annual and interim financial statements will be required to be reported under Ind AS for accounting periods commencing on or after April 1, 2016.

Pursuant to a SEBI circular dated March 31, 2016, with respect to financial information to be included in any offer document filed with SEBI on or after April 1, 2016 and until March 31, 2017, the Company has chosen to prepare its Restated Financial Information, on a standalone as well as on a consolidated basis, for the preceding five years, included in this Draft Red Herring Prospectus by taking Indian GAAP framework as its underlying base and restated in accordance with Companies Act and the SEBI Regulations. Our financial statements reported under Ind AS in future accounting periods may not be directly comparable with our financial statements historically prepared under Indian GAAP, including those disclosed in this Draft Red Herring Prospectus. Accordingly, our Restated Financial Information included in this Draft Red Herring Prospectus may not form an accurate basis to consider the accounting policies and financial statements adopted by our Company for future periods, which may differ materially from our

Restated Financial Information. We would urge you to consult your own advisors regarding the differences between Indian GAAP and other accounting policies and the impact of such differences on our financial data, including the impact of our transition to, and adoption of Ind AS for statutory reporting purposes under the Companies Act, our annual and interim financial statements, for accounting periods commencing on or after April 1, 2016.

Additionally, the Ministry of Finance, GoI has issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. ICDS came into effect from April 1, 2016 and are applicable Fiscal 2017 onwards. Therefore, ICDS will have a direct impact on computation of taxable income of our Company and its Indian domiciled and incorporated subsidiaries and associate from Fiscal 2017 onwards. ICDS differs on several aspects from accounting standards including the Indian GAAP and Ind AS. For instance, where ICDS-based calculations of taxable income differ from Indian GAAP or Ind AS based concepts, the ICDS-based calculations can have the effect of requiring taxable income to be recognised earlier, increasing overall levels of taxation or both.

We may encounter difficulties in the ongoing process of implementing and enhancing our management information systems under Ind AS reporting and the ICDS. There can be no assurance that the adoption of Ind AS and the ICDS by our Company and its subsidiaries and associate (to the extent applicable) will not adversely affect its results of operation or financial condition.

41. We operate most of our distribution centres and some of our stores from premises that we do not own but are taken by us on short-term leases. Our inability to renew the lease agreements or any adverse impact on the title or ownership rights of our landlords in relation to these premises may impede our operations and may require additional expenditure to move to a new office or facility.

Except for three distribution centres which we own, the rest of our distribution centres, four out of our six packing centres and some of our stores are on premises that have been leased by us from third parties. Upon expiration of the lease agreement for each of our leased premises, we will be required to negotiate the terms and conditions on which the lease agreement may be renewed.

Termination of our leases may occur for reasons beyond our control, such as breaches of lease agreements by the landlords of our premises. If we, our current or future landlords breach the lease agreements, we may have to relocate to alternative premises or shut down our operations at that site. Relocation of any part of our operations may cause disruptions to our business and may require significant expenditure, and we cannot assure you that in such a case, we will be able to find suitable premises on commercially reasonable terms in a timely manner, if at all or we may have to pay significantly higher rent which may materially and adversely affect our business, financial condition and results of operations.

In the event that these existing leases are terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our operations. If alternative premises are not available at the same or similar costs, size or locations, our business, financial condition and results of operations may be adversely affected.

42. Accidents could result in the slowdown or stoppage of our operations and could also cause damage to life and property.

We endeavour to meet necessary safety standards in relation to our operations. However, certain accidents or mishaps may be unavoidable or may occur on account of negligence or human error in complying with the prescribed safety standards or for other reasons. Such accidents or mishaps may result in, amongst others, an action of tort being initiated against us.

Therefore, although we take steps to ensure safety, accidents, including human fatalities, may occur and there can be no assurance that our safety measures and the precautions undertaken will be completely effective or sufficient. Further, if we fail to maintain adequate insurance cover in relation to the foregoing, a claim filed by us with our insurer is rejected, a loss occurs, which does not fall under the insurance cover maintained by us, or our claim is subject to any deductible or delay in settlement, amongst other things, our exposure will increase. Any accident at our distribution centres could also harm our reputation. Such accidents may have an adverse impact on our business and reputation.

43. We are yet to receive certain regulatory approvals in respect of our operations. Failure to obtain or maintain licenses, registrations, permits and approvals may adversely affect our business and results of operations.

We are governed by various laws and regulations for our business and operations. We are required, and will continue to be required, to obtain and hold relevant licenses, approvals and permits at the local, state and central government levels for doing our business.

The approvals, licenses, registrations and permits obtained by us may contain conditions, some of which could be onerous. Additionally, we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or seek fresh approvals, from time to time, as and when required in the ordinary course of our business.

While we have obtained a significant number of approvals, licenses, registrations and permits from the relevant authorities, we are yet to receive or apply for several approvals, licenses, registrations and permits. We cannot assure you that we will apply for and receive these approvals and clearances in time or at all. There can be no assurance that the relevant authority will issue an approval or renew expired approvals within the applicable time period or at all. Any delay in receipt or non-receipt of such approvals, licenses, registrations and permits could result in cost and time overrun or which could adversely affect our related operations. For instance, we are yet to obtain fire safety approval for some of our stores. Furthermore, under such circumstances, the relevant authorities may initiate penal action against us, restrain our operations, impose fines/penalties or initiate legal proceedings for our inability to renew/obtain approvals in a timely manner or at all. For instance, a failure to maintain a valid no-objection certificate under the Maharashtra Fire Prevention and Life Safety Measures Act, 2006, may attract rigorous imprisonment for a term not less than six months and upto three years, and fine which shall not be less than ₹0.02 million and that could extend to ₹0.05 million. We are also yet to receive certain pollution related approvals for installation and maintenance of diesel generator set for two distribution centres and two packing centres at Turbhe.

Our operations are subject to stringent health and safety laws as our products are for human consumption and are therefore subject to various industry specific regulations. We may incur additional costs and liabilities related to compliance with these laws and regulations that are an inherent part of our business. We are subject to various central, state and local food safety, consumer goods, health and safety and other laws and regulations. These relate to various issues, including food safety, food ingredients, and food packaging requirements, and the investigation.

These laws and regulations governing us are increasingly becoming stringent and may in the future create substantial compliance or liabilities and costs. While we endeavour to comply with applicable regulatory requirements, it is possible that such compliance measures may restrict our business and operations, result in increased cost and onerous compliance measures, and an inability to comply with such regulatory requirements may attract penalty. For further details regarding the material approvals, licenses, registrations and permits, which have not been obtained by our Company or are, pending renewal, see "*Government and Other Approvals*" from page 196 to 197.
Furthermore, we cannot assure you that the approvals, licenses, registrations and permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any suspension or revocation of any of the approvals, licenses, registrations and permits that has been or may be issued to us may adversely affect our business and results of operations.

44. Our Company, one of our Promoters, Associate and certain Group Companies have unsecured loans that may be recalled by the lenders at any time.

Our Company, one of our Promoters, Associate and certain Group Companies have currently availed unsecured loans which may be called by their lenders at any time. In the event that any lender seeks a repayment of any such loan, one of our Promoters and Group Companies would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to procure such financing, we may not have adequate working capital to undertake new projects or complete our ongoing projects. As a result, any such demand may materially and adversely affect our business, cash flows, financial condition and results of operations. For further details on financing arrangements entered into by our Company, see "*Financial Indebtedness*" on page 183.

45. If we are unable to establish and maintain an effective system of internal controls and compliances our business and reputation could be adversely affected.

We manage regulatory compliance by monitoring and evaluating our internal controls, and ensuring that we are in compliance with all relevant statutory and regulatory requirements. However, there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. For instance, there have been instances of delays and inadvertent omissions in filing of prescribed forms with the RoC. As we continue to grow, there can be no assurance that there will be no other instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

46. Our ability to raise foreign capital under the FDI route is constrained by Indian law and we may be subject to various conditions if we propose to raise foreign capital through the FDI route. Further, we propose to raise foreign capital in the Issue from certain foreign investors under the FPI route to up to 24 per cent of our paid-up capital and may raise further foreign capital from such foreign investors. If our shareholders do not increase this

limit to the permissible limit of 49 per cent of our paid-up capital in the future or the Government of India reduces this premissible limit or imposes restrictive conditions in the future, our ability to raise foreign capital could be adversely affected and consequently, this may adversely affect our business, prospects and results of operations.

We are involved in the business of multi brand trading. Under the Consolidated FDI Policy effective from June 7, 2016, foreign direct investment of up to 51 per cent of the paid-up capital is allowed under the Government route and prescribes certain conditions which are required to be complied with for the purposes of receiving FDI including inter alia minimum capitalisation of USD 100 million and mandatory investment of 50 per cent of such capitalisation in 'back-end infrastructure' within three years and procurement of at least 30% of the value of manufactured/processed products shall be sourced from Indian micro, small and medium industries which have a total investment in plant and machinery not exceeding USD 2 million. Further, one of the conditions with respect to receipt of foreign capital under the FDI route is that the respective State Governments/Union territories to implement the FDI policy. As of date, out of eight states where our stores are located, only three of the states have allowed FDI in multi brand trading.

Our Company presently does not propose to raise any foreign capital or in the Issue through the FDI route and accordingly, our Company does not comply with these conditions. However, in the event that our Company proposes to raise foreign capital in the future through the FDI route, then we would be required to file an application with the FIPB and meet certain conditions as prescribed under the Consolidated FDI Policy effective from June 7, 2016. We cannot assure you that we will be able to comply with any of these conditions in the future or will be able to obtain approval from FIPB for FDI in our Company and in case we are not able to obtain FDI in the future, it may adversely affect our growth plans and business prospects.

Further, in accordance with Consolidated FDI Policy effective from June 7, 2016 and Press Note 8 (2015 series) issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, we propose to allow participation by non-residents in the Issue to the extent of participation by (i) FIIs and FPIs through the portfolio investment scheme under Schedule 2 and 2A of the FEMA Regulations, as the case may be, subject to limit of the individual holding of an FII/FPI below 10% of the post-Issue paid-up capital of our Company and the aggregate limit for FII/FPI investment to 24% of the post-Issue paid-up capital of our Company; and (ii) Eligible NRIs under Schedules 3 and 4 of the FEMA Regulations, as the case may be, subject to limit of the individual holding of an NRI below 5% of the post-Issue paid-up capital of our Company and the aggregate limit for NRI investment to 10% of the post-Issue paid-up capital of our Company both on repatriation and non repatriation basis. We cannot assure you that the Government of India will continue to allow current level of participation by the aforesaid investors in the sector in which we operate or that the Government of India will not impose any further conditions with respect to such investments. Any adverse decision by the Government of India in this regard could adversely affect our business, prospects, results of operations and trading price of our Equity Shares.

Furthermore, as an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

47. Avenue E-Commerce Limited, one of our Group Companies, has incurred losses in the preceding financial years, based on its last audited financial statements available.

Avenue E-Commerce Limited**,** one of our Group Companies, has incurred losses in the preceding financial year, based on its last audited financial statements available. For further details of our loss making Group Companies, see "*Our Group Companies*" from page 157 to 158. We cannot assure you that our Group Companies will not incur losses in the future.

48. Our Company has not paid any dividends in the past and we may not be able to pay dividends in the future

Our Company has not declared dividends for any financial year in the past and our Company may not be able to declare dividends in the future. The declaration, payment and amount of any future dividends are subject to the discretion of the Board and will depend upon a number of factors, including our Company's results of operations, future earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian law restrictions and other factors considered relevant by our Board. For more details, see "*Dividend Policy*" on page 160.

49. We have not independently verified certain data in this Draft Red Herring Prospectus.

We have not independently verified data from the "Industry Report on Indian Food and General Merchandise Retail Industry" of August, 2016 prepared by Technopak contained in this Draft Red Herring Prospectus and although we believe the sources mentioned in the report to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the industries in which we operate that is included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to incorrect or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

50. The preparation requirement and presentation format of financial statements of our Company subsequent to the listing of its Equity Shares will not be in the same manner and same format as being prepared and presented for this Draft Red Herring Prospectus.

Till Fiscal 2016, our audited statutory financial statements under the Companies Act have been prepared in accordance with Indian GAAP and the applicable provisions of the Companies Act. Further, for accounting periods commencing on or after April 1, 2016, for statutory reporting purposes under the Companies Act, our annual and interim financial statements will be required to be reported under Ind AS. The Restated Financial Information included in this Draft Red Herring Prospectus is restated in accordance with the applicable provisions of Companies Act and the relevant SEBI Regulations, as amended from time to time. In order to comply with the requirements applicable to public companies in India, if and when our Equity Shares get successfully listed on the Stock Exchanges, we will be required to prepare our annual and interim financial statements in terms of the Companies Act and Ind AS, as applicable. The preparation requirement and the presentation format prescribed under the SEBI Regulations for Restated Financial Information differs in certain respects between Indian GAAP and Ind AS. Therefore, the preparation and presentation of our financial statements post-listing may be not be comparable with, or may be substantially different from, the manner in which the Restated Financial Information is being disclosed in this Draft Red Herring Prospectus.

51. Some of our investments in unsecured debt instruments which are unsecured or which carry interest rate lower than the market rate.

Some of our unsecured investments include investments in interest/ dividend bearing liquid debt instruments including investments in debt mutual funds and other financial products, such as principal protected funds, listed debt instruments, rated debentures or deposits with banks/ other entities. Some of our unsecured investments carry interest rate which is lower than the prevailing market. Market interest rates in India fluctuate on a regular basis. Consequently, some of our investments may continue to carry interest rate lower than the market rate in the future.

EXTERNAL RISK FACTORS

1. Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to an investor's assessment of our Company's financial condition.

As stated in the reports of our Company's independent auditors included in the Draft Red Herring Prospectus, our Restated Financial Information is prepared and presented in accordance with the Companies Act and restated in accordance with the SEBI Regulations, consistently applied during the periods stated, except as provided in such reports, and no attempt has been made to reconcile any of the information given in the Draft Red Herring Prospectus to any other principles or to base it on any other standards such as US GAAP or IFRS. For details, see "*Presentation of Financial, Industry and Market Data*" on page 10. Each of US GAAP and IFRS differs in significant respects from Indian GAAP. Accordingly, the degree to which the Restated Financial Information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

2. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.

Our business and financial performance could be adversely affected by changes in law, or interpretations of existing laws, rules and regulations, or the promulgation of new laws, rules and regulations in India, applicable to us and our business.

The governmental and regulatory bodies in India and other jurisdictions where we operate may notify new regulations and/or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition and results of operations.

The application of various Indian and international sales, value-added and other tax laws, rules and regulations to our services, currently or in the future, may be subject to interpretation by applicable authorities, and if amended/ notified, could result in an increase in our tax payments (prospectively or retrospectively) and/or subject us to penalties, which could affect our business operations. Further, we have not completed any income tax assessments for the previous years and we run the risk of the Income Tax Department assessing our tax liability that may be materially different from the provision that we carry in our books for the past periods. The Government of India has proposed a comprehensive national goods and services tax, or GST, regime that will combine taxes and levies by the central and state governments into a unified rate structure. While the Government of India and other state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which could create uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

3. Our business is substantially affected by economic, political and other prevailing conditions in India.

Our Company is incorporated in India, and the majority of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its retail sector;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- logistical and communications challenges;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis; and
- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares.

4. ***We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could in turn adversely affect our business.***

The Competition Act was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the CCI to separate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the Central Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, results of operations and prospects.

5. ***The trading volume and market price of the Equity Shares may be volatile following the Issue.***

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

6. ***Instability in Indian financial markets could adversely affect our Company's results of operations and financial condition.***

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America, Europe or China, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The current global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, has led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on our Company's business, operations, financial condition, profitability and price of its Shares. Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities.

7. ***Economic developments and volatility in securities markets in other countries may cause the price of our Equity Shares to decline.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Negative economic developments, such as rising fiscal or trade deficits, or a default on sovereign debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

8. ***Any downgrading of India's sovereign rating by a domestic or international rating agency could adversely affect our Company's business.***

Any adverse revisions to India's sovereign ratings for domestic and international debt by domestic or international rating agencies may adversely affect our Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm our Company's business and financial performance, ability to obtain financing for capital expenditures and the price of our Company's Equity Shares.

9. ***Investors may have difficulty enforcing foreign judgments against us or our management.***

We are a limited liability company incorporated under the laws of India. A majority of our directors and executive officers are residents of India and a majority of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside of India, or to enforce judgments obtained against such parties outside of India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of CPC on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

We have been advised by our Indian counsel that the United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Indian Foreign Exchange Management Act, 1999, to execute such a judgment or to repatriate any amount recovered.

10. Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, regulations of our board of directors, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder in our Company than as a shareholder of a company in another jurisdiction.

11. Currency exchange rate fluctuations may have a material adverse effect on the value of the Equity Shares, independent of our results of operations.

The exchange rate between the Rupee and the USD and other foreign currencies has changed considerably in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the Rupee and other currencies may affect the value of a non-resident investor's investment in the Equity Shares.

A non-resident investor may not be able to convert Rupee proceeds into USD or any other currency or the rate at which any such conversion may occur could fluctuate. In addition, our market valuation could be seriously harmed by the devaluation of the Rupee, if United States or other non-resident investors analyse our value based on the USD equivalent of our financial condition and results of operations.

For historical exchange rate fluctuations, see "*Presentation of Financial, Industry and Market Data*" on page 10.

12. The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the Issue Price and you may not be able to sell your Equity Shares at or above the Issue Price.

The Issue Price of our Equity Shares will be determined on the basis of the Book Building Process. This price will be based on numerous factors. For further information, see "*Basis for Issue Price*" on page 93 and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price are:

- Quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

13. The market price of our Company's Equity Shares may be adversely affected by additional issues of equity or equity linked securities by our Company including pursuant to the Employee Stock Option Scheme, 2016 or by sale of Equity Shares by a significant shareholder.

Our Company may finance its growth plans through additional equity offerings. Any future issuance of equity or equity-linked securities by our Company may dilute the shareholding of investors in its Equity Shares and could adversely affect the market price of its Equity Shares. As at the date of the DRHP, our Company has no future plans in respect of issuance of equity shares and equity linked shares except to the extent disclosed in the "*Capital Structure*" from page 78 to 81.

Our Board and shareholders have approved an employee stock option scheme titled "Avenue Supermarts Limited Employee Stock Option Scheme, 2016" in compliance with the ESOP Regulations under which grant of options are yet to be made. For further details, see "*Capital Structure - Employee Stock Option Scheme*" from page 78 to 81. Although the pre-Issue shareholding of the shareholders is subject to lock-in as per applicable provisions of the SEBI Regulations, sale of a large number of Equity Shares by any significant shareholder of our Company after the expiry of the lock-in periods could adversely affect the market price of the Equity Shares. In addition, any perception by investors that such issuances or sale might occur could also affect the trading price of the Equity Shares.

14. You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Capital gains arising from the sale of our Equity Shares are generally taxable in India. Any gain realised on the sale of our Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax has been paid on the transaction. The securities transaction tax will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Any gain realised on the sale of our Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no securities transaction tax has been paid, will be subject to capital gains tax in India. Further, any gain realised on the sale of our Equity Shares held for a period of 12 months or less will be subject to capital gains tax in India.

Capital gains arising from the sale of equity shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of equity shares.

Prominent Notes

- Our Company has not changed its name in the last three Fiscals.

- Issue of up to [●] Equity Shares for cash at price of ₹[●] (including a share premium of ₹[●]) aggregating up to ₹18,700 million. The Issue will constitute [●]% of the post-Issue paid-up Equity Share capital of our Company.

- Our Net Worth ("Net Worth", for purposes of this paragraph means the aggregate of share capital and reserves and surplus (including securities premium, share option outstanding account, debenture redemption reserve and surplus/ (deficit) of our Company), as at March 31, 2016 was ₹15,204.27 million, as per our Restated Consolidated Financial Information, and ₹15,118.58 million as at March 31, 2016, as per our Restated Standalone Financial Information.

- The Net Asset Value per Equity Share ("Net Asset Value per Equity Share", for purposes of this paragraph means total shareholders' funds of our Company divided by the equity shares issued and outstanding at the end of year), of our Company was ₹27.08 as at March 31, 2016, as per our Restated Consolidated Financial Information and the Net Asset Value per Equity Share was ₹26.92 as at March 31, 2016 as per our Restated Standalone Financial Information.

- The details of average cost of acquisition of Equity Shares acquired by our Promoters is set out below. For details, see "*Capital Structure*" from page 70 to 74.

Name of the Promoter	Average cost of acquisition of Equity Shares (in ₹)
Radhakishan S. Damani	10.00
Gopikishan S. Damani	10.00
Shrikantadevi R. Damani	10.00
Kirandevi G. Damani	10.00
Bright Star	10.00
Royal Palm Trust	3.33
Bottle Palm Trust	3.33
Mountain Glory Trust	3.33
Gulmohar Trust	3.33

Name of the Promoter	Average cost of acquisition of Equity Shares (in ₹)
Karnikar Trust	3.33

- Except as disclosed in "*Our Group Companies*" and "*Financial Statements- Statements of Related Parties and Related Party Transactions*" beginning on pages 157 and 161, none of our Group Companies have business interests or other interests in our Company.

- For details of related party transactions entered into by our Company with the Group Companies, and our Subsidiaries during the last financial year, the nature of transactions and the cumulative value of transactions, see "*Financial Statements - Statements of Related Parties and Related Party Transactions*" beginning on page 161.

- There have been no financing arrangements whereby our Promoter Group, directors of our Promoters, our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the filing of this Draft Red Herring Prospectus.

- Investors may contact the Lead Managers who have submitted a due diligence certificate with SEBI for any complaints, information or clarification pertaining to the Issue. For further details regarding grievances in relation to the Issue, see "*General Information*" from page 61 to 62.

SECTION III: INTRODUCTION

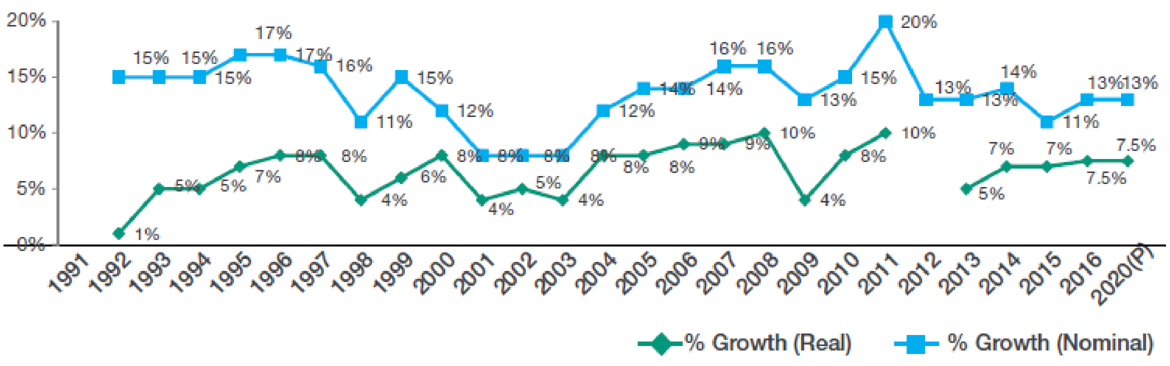
SUMMARY OF INDUSTRY

*Unless noted otherwise, the information in this section has been obtained or derived from the "Industry Report on Indian Food and General Merchandise Retail Industry" of August 2016, by Technopak (the "**Technopak Reports**"), as well as other industry sources and government publications. All information contained in the Technopak Report has been obtained by Technopak from sources believed by it to be accurate and reliable. Although reasonable care has been taken by Technopak to ensure that the information in the Technopak Report is true, such information is provided 'as is' without any warranty of any kind, and Technopak in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information and estimates contained herein must be construed solely as statements of opinion, and Technopak shall not be liable for any losses incurred by users from any use of this publication or its contents. None of the Company, the Lead Managers and any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.*

Indian Economy: Macroeconomic Outlook

Economic reforms during early 1990s catapulted Indian economy on a high growth path. The country registered a real GDP growth of about 9.5% in the period 2006-2008 and averaged 8% from 2006-2011. The Indian economy has a significant presence on the global economic stage. During FY 2010 to FY 2016, India's Real GDP grew at a CAGR of 7.3% and at 7.5% during 2015-2016 making it the fastest growing major economy in the world. India's GDP was 2.5% of world GDP in 2013 and it is expected to rise to 3.1% and 3.8% of world GDP in 2016 and 2021 respectively. IMF has pegged India's real GDP growth between 7.5% -7.7% for FY 16-20. IMF and other agencies have predicted India to be in the top three global economies by 2050.

<u>Historical GDP Growth (%)</u>



Source : RBI data, Economic Survey, World Bank, EIU, IMF, Technopak Analysis
2012- GDP Spike in Real growth rate due to change of base from 2004-05 to 2011-12. Hence excluded from decadal growth rate as well
^Real GDP growth projected by leading intl. institutions:

EIU – 7.2%-7.4% (FY 16-20)
World Bank – 7.8%-7.9% (FY 16-17)
IMF – 7.5%-7.7% (FY 16-20)

Sustained high Real GDP growth of over 6% since 1991, has led to a fundamental transformation of the Indian economy. The country was close to the USD 1tn GDP mark at USD 967bn in 2010 and doubled it to USD 1872bn by FY2015. At a projected nominal GDP growth rate of 13% in the period 2016-2020, India is expected to become a USD 3.5tn economy by 2020. India is a consumption-led economy with private consumption forming around 60% of the GDP. Several factors will continue to drive the consumption and contribute to the economy including:

- Favorable demographics, dropping dependency ratio, rapidly rising education levels and steady growth of urbanization
- Growing young & working population
- Increasing penetration of mobile technology and internet infrastructure

- Increasing aspirations and affordability
- Government's focus on skill development, job creation, infrastructure, manufacturing and investments
- Financial inclusion initiatives such as UDI led bank accounts and direct transfer of subsidies

Consumption Growth

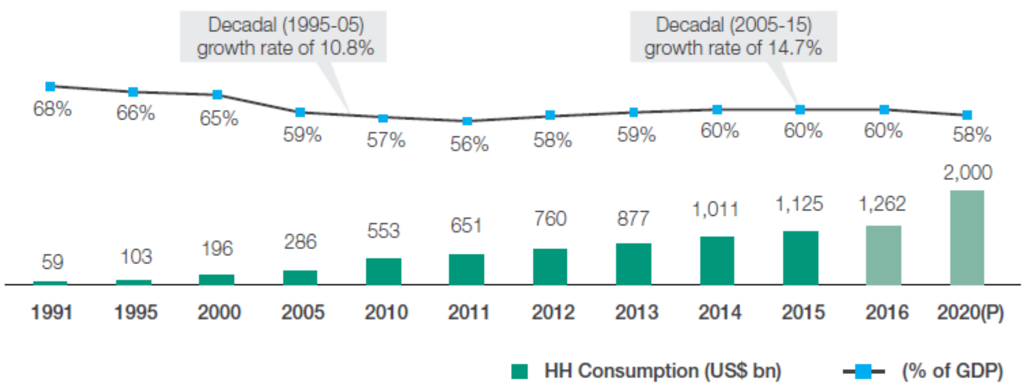
Total Private Final Consumption Expenditure (US$ bn)

Country	2008	2009	2010	2011	2012	2013	2014	2015	2020P	Contribution to GDP*
UK	1,792	1,498	1,553	1,672	1,710	1,763	1,933	1,847	1,665	69%
U.S.	10,014	9,847	10,202	10,689	11,050	11,392	11,865	12,271	13,913	68%
Brazil	1,012	1,032	1,330	1,575	1,510	1,519	1,507	1,124	2,350	63%
Italy	1,424	1,325	1,296	1,400	1,276	1,302	1,312	1,108	1,143	63%
India	424	485	553	651	760	877	1,011	1,125	2,000	58%
Germany	2,075	1,963	1,915	2,078	1,970	2,074	2,112	1,813	2,108	57%
Indonesia	309	317	424	494	517	518	509	491	909	56%
France	1,615	1,514	1,486	1,596	1,492	1,560	1,572	1332	1,470	55%
Thailand	156	149	177	196	209	218	211	NA	339	55%
Malaysia	103	99	122	143	156	167	177	160	295	51%
China	1,608	1,809	2,079	2,615	3,019	3,424	3,954	NA	10,024	36%

Source: World Bank, Technopak Research & Analysis
** 2013 Year mentioned is FY; The projections have been arrived at by considering the growth trends for the past five years. Projected values for 2014-20 have been provided in annexure 1.7.1.*

Globally India is seen as one of the key consumer markets from where future growth is likely to emerge. It is estimated that India's consumption expenditure will increase to USD 2,000bn by 2020 and will surpass the consumption expenditure of developed economies like Italy, France and United Kingdom. By 2030, India is expected to rank among the top 5 economies in terms of consumption.

India's PFCE (Private Final Consumption Expenditure) as a Share of GDP



Source : RBI data, Economic Survey, World Bank, EIU, IMF, Technopak Analysis
1 US$ = INR 67
** Increase in the share of GDP due to the new methodology of calculating GDP and change in base*
^GCFC includes land improvements (fence, drain, etc.) , investments on plants & machinery, Infrastructure such as roads, railways, schools, hospitals, residential and commercial buildings, etc.

Household Consumption at USD 1,262bn currently accounts for approximately 60% of the Indian GDP. This is much higher than the share of household consumption in China (around 37%) and comparable to that of the UK and US, approximately 65% and 68%, respectively. The decadal annual growth rate of 1995-2005 was around 11% and grew to approximately 15% for 2005-2015. Although household consumption has been growing at a healthy rate, factors such as inflation reduce purchasing power, limiting household spending. The Gross Fixed Capital Formation (GFCF) has grown from contributing 22% of GDP in 1990-1991 to 28-30% of GDP currently. Going forward, projects such as "Make in India" are expected to bring in higher infrastructure investments, boost the manufacturing sector and enhance exports. All of these would result in a lowering share of household spending in the country's GDP. Thus going forward, India is expected to continue the trend with private consumption reaching 58% by 2020 at USD 2tn in absolute terms and will surpass that of developed economies like Italy, France and United Kingdom.

Share of Merchandise and Services in Household Expenditure

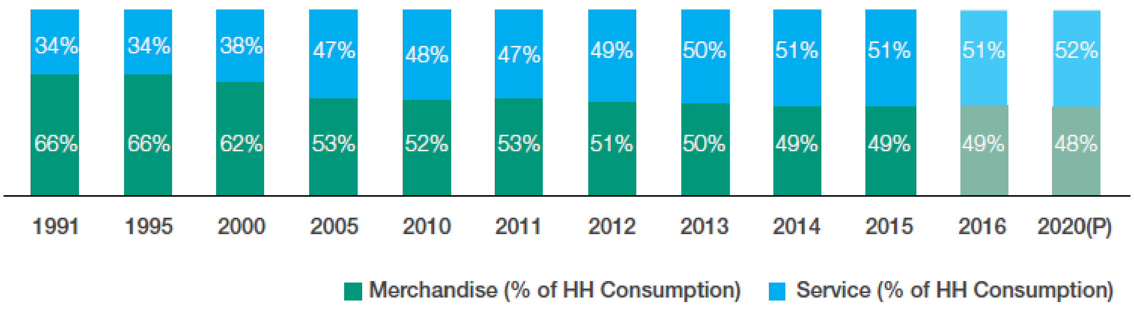
With sustained economic growth (as reflected in the GDP growth), Indian consumers move up the prosperity ladder. This movement gets reflected in the increased consumption expenditure and the split of this expenditure between need based and discretionary. The share of expenditure on discretionary purchase increases, while the share of expenditure on basic necessities such as food gradually reduces. This shift in spending patterns has resulted in micro-trends within the overall consumption basket in India. The share of merchandise has fallen to approximately 49% in 2016 (from 66% in 1991), driven by a corresponding increase in services expenditure. Telecom and the Internet, which made rapid strides in the past decade, coupled with an increasing awareness among consumers, urbanization and rising aspirational needs have fueled this shift:

- For instance between 2004-2005 and 2011-2012, the rural sector showed an increase of 75% in per capita LPG consumption; 57% in per capita electricity consumption.

- During the same period fuel consumption in urban India rose more than 4 times. Similar increases were witnessed in the telecom sector, rent, cable TV subscription, etc. – all leading to an increase in the overall share of services. Other services such as eating out, grooming, entertainment, healthcare, education etc. have also found an increased share of consumer spending.

It is expected that this shift will continue, although more gradually, as services penetration saturates. Merchandize expenditure will constitute 48% of total consumption by 2020, from 49% currently, though it will grow in absolute terms.

Split of Merchandise and Services in HH expenditure



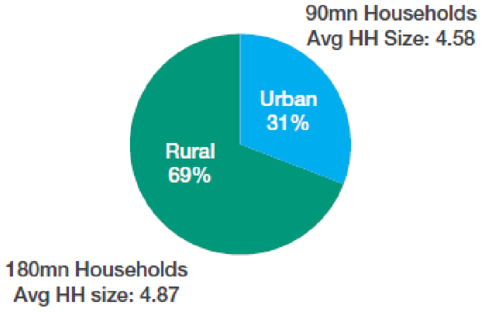
Source : RBI data, MOSPI, Economic Survey, Technopak Analysis

Demographic Profile

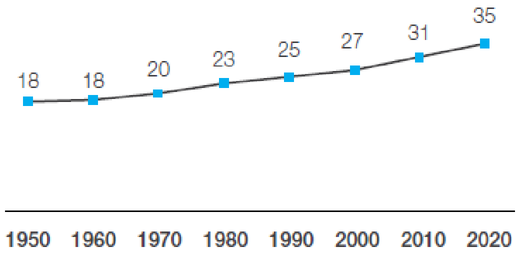
Increasing Urbanization

Urbanization in India began to accelerate after independence. The growth of industries contributed to the growth of cities leading to a migration of people towards industrial areas in search of employment opportunities. This resulted in the growth of towns and cities. Other factors such as better standard of living, education opportunities etc. are the other drivers of this change. The official figures of urbanization currently stand at approximately 32% however in reality it is believed this number is much higher because of the way urban centers are defined to include many rural and semi - rural pockets that have become urban centers.

Urban Rural Split of Indian Population - 2011



Urban as a Share of Total Population (%)



Source: The census of India 2011, Technopak Analysis

Young Demographics and Reducing Dependency Ratio

India is a young country and will continue to remain young. The young India will continue to drive India's growth story:

- Approximately 65% of the population is below 35 years of age and approximately 78% of the population is below 45 years of age;
- The median age in India was 27 years in 2011, which is expected to become 29 years in 2025. Compared to other top 10 economies (including China), India has the lowest median age and this trend will be even more pronounced in next 2 decades as most other populations age. The dependency ratio has continuously decreased from 80% in 1970 to around 50% in 2014
- This young generation is more aspirational, well-connected & networked, tech-savvy, mobile and has high spending power. This young population with rising incomes will have a significant impact on retailing and consumption of many categories and products as this class will be consuming a greater number of lifestyle categories than their parents.

SUMMARY OF OUR BUSINESS

This section should be read in conjunction with the sections"Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on beginning pages 13, 167 and 161, respectively. Our Restated Financial Information for the Fiscals 2014, 2015 and 2016 included in this Draft Red Herring Prospectus is prepared in accordance with the Companies Act and restated in accordance with the SEBI Regulations. Further, with effect from April 1, 2016, we are required to prepare our financial statements in accordance with Ind AS. References to "restated" below are to our Restated Consolidated Financial Information for the Fiscals 2014, 2015 or 2016. All figures in this section are on a consolidated basis, unless specified otherwise.

Overview

We are an emerging national supermarket chain, with a focus on value-retailing. According to Technopak, in Fiscal 2016 our Company was one of the largest and the most profitable F&G retailer in India. We offer a wide range of products with a focus on the Foods, Non-Foods (FMCG) and General Merchandise & Apparel product categories.

We opened our first store in Mumbai, Maharashtra in 2002. As of September 15, 2016, we had 112 stores with Retail Business Area of 3.40 million sq.ft, located across 41 cities in Maharashtra (58), Gujarat (26), Telangana (13), Karnataka (7), Andhra Pradesh (3), Madhya Pradesh (3), Chhattisgarh (1) and NCR (1). At the end of Fiscals 2014, 2015 and 2016, we had 75, 89 and 110 stores with Retail Business Area of 2.14 million sq. ft., 2.66 million sq. ft. and 3.33 million sq. ft., respectively. We plan to deepen our store network in southern and western India and gradually expand our network in other parts of India pursuant to our cluster-focused expansion strategy.

For Fiscal 2016, Maharastra contributed a majority of our Revenue from Sales (62.57%) followed by Gujarat (18.83%), Telangana (10.15%), Karnataka (6.14%) Andhra Pradesh (1.03%), Madhya Pradesh (0.85%) and Chattisgarh (0.43%).

We operate and manage all our stores. We operate predominantly on an ownership model (including long-term lease arrangements, where lease period is more than 30 years and the building is owned by us) rather than on a rental model. We open new stores using a cluster approach on the basis of adjacencies and focusing on an efficient supply chain, targeting densely-populated residential areas with a majority of lower-middle, middle and aspiring upper-middle class consumers.

We operate distribution centres and packing centres which form the backbone of our supply chain to support our retail store network. As of September 15, 2016, we had 21 distribution centres and six packing centres in Maharashtra, Gujarat, Telangana and Karnataka.

Our business approach is to retail quality goods at competitive prices. The majority of products stocked by us are everyday products forming part of basic rather than discretionary spending. We endeavor to minimise our operating costs in several ways such as owning underlying real estate or entering into long-term lease arrangements for a majority of our stores in order to minimise rental costs, procuring goods directly from vendors and manufacturers, employing an efficient logistics and distribution system and maintaining a strong focus on product assortment to minimise inventory build-up, supported by efficient store operations.

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

We classify our products under the following categories:

- *Foods*: This category includes staples, groceries, fruits & vegetables, snacks & processed foods, dairy & frozen products, beverages and confectionery. In Fiscals 2014, 2015 and 2016, this category constituted 53.28%, 52.84% and 53.06% , respectively of our Revenue from Sales.

- *Non-Foods (FMCG)*: This category includes home care products, personal care and toileteries and other over the counter products. In Fiscals 2014, 2015 and 2016, this category constituted 21.49%, 21.22% and 20.58%, respectively of our Revenue from Sales.

- *General Merchandise & Apparel*: This category includes bed & bath products, home appliances, furniture, crockery, utensils, plastic goods, garments and footwear. In Fiscals 2014, 2015 and 2016, this category constituted 25.23%, 25.94% and 26.36%, respectively of our Revenue from Sales.

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 daily produce updated information to support our business. 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.

We have witnessed steady growth in our total number of bill cuts. Our total number of bill cuts, on a standalone basis, was 53.40 million, 67.17 million and 84.68 million, respectively for Fiscals 2014, 2015 and 2016. During the same period, our average Revenue from Sales per store was ₹623.41 million, ₹721.87 million and ₹778.68 million and our Revenue from Sales per Retail Business Area sq. ft. was ₹23,419, ₹26,388 and ₹28,136, respectively. We have registered LFL growth of 26.06%, 22.43% and 21.49% for Fiscals 2014, 2015 and 2016, respectively. Like for Like (LFL) growth is a measure of growth in sales, adjusted for new or divested business. LFL growth means the growth in revenue from sales of same stores which have been operational for atleast 24 months at the end of a Fiscal.

Our total revenue grew at a Compounded Annual Growth Rate (CAGR) of 35.28% from ₹47,023.25 million in Fiscal 2014 to ₹86,061.05 million in Fiscal 2016. Our net profit after tax, as restated, grew at a CAGR of 41.08% from ₹1,613.72 million in Fiscal 2014 to ₹3,212.07 million in Fiscal 2016.

Key Strengths

We believe the following are our key strengths:

Value retailing to a well defined target consumer base

Our business model is based on the concept of offering value retailing to our customers using the EDLC/EDLP strategy. The EDLC/EDLP strategy is based on offering low prices on an everyday basis by achieving low procurement and operations cost rather than as special promotion limited to certain products or to a particular day, week or any other specific period in the year.

Our customer acquisition and retention strategy is targeted at lower-middle, middle and aspiring upper-middle income consumers. We believe that getting value for money is the most compelling factor in daily shopping decision-making for these income groups. The majority of the products stocked by us are essential products forming part of basic rather than discretionary spending, due to which we believe that our business is not materially affected by seasonality or temporarily depressed macro-economic conditions.

The EDLC/EDLP strategy requires us to minimise our costs of procurement, supply and operation to achieve low prices for our customers on a daily basis. We focus on providing such low prices across our product categories and product sub-categories within these categories everyday rather than on a particular day of the week or any specific period of the year.

We typically follow our pricing strategy for all our products, relying on our strong supplier network, efficient supply chain management for procurement and careful product assortment. We believe that these measures help us in being recognised as a one-stop retail store chain for daily needs at value for money prices.

Steady footprint expansion using a distinct store acquisition strategy and ownership model

Our business has grown rapidly in recent years, primarily through expansion of our store network from one store in 2002 to 112 stores as of September 15, 2016 across eight states in India, concentrated in western and southern India. Key highlights of our expansion in the last five Fiscals are set out below:

Parameter	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016
New stores opened in Fiscal	10	7	13	14	21
Cumulative number of stores	55	62	75	89	110
Retail Business Area at Fiscal end (in million sq. ft.)	1.55	1.76	2.14	2.66	3.33
Revenue from Sales per Retail Business Area sq. ft. (in ₹)**	15,324	20,116	23,419	26,388	28,136

***Annualised Revenue from Sales calculated on the basis of 365 days in a year (on standalone basis) divided by Retail Business Area at the end of the Fiscal.*

We have expanded our footprint using a cluster-based approach. We have strengthened our existing presence in certain regions by opening new stores within a radius of a few kilometers of our existing stores and distribution centres. This has ensured the creation of a cluster of stores within a region in which we believe, we have developed a better understanding of local needs and preferences and enabled us to tailor our offering. Such clusters have also led to increased penetration and presence in under-served markets, higher cost efficiency due to economies of scale achieved in our supply chain and inventory management, and greater and concentrated brand visibility due to focused implementation of marketing and advertising initiatives.

The state-wise break-down of the number of our stores is as follows:

State	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016
Maharashtra	34	40	46	50	58
Gujarat	14	14	17	22	26
Telangana*	4	5	7	9	13
Karnataka	3	3	5	5	6
Andhra Pradesh	-	-	-	1	3
Madhya Pradesh	-	-	-	1	3
Chattisgarh	-	-	-	1	1
Total	**55**	**62**	**75**	**89**	**110**

**Telangana was part of Andhra Pradesh till June 1, 2014.*

While expanding our network, we have carefully chosen the location of our stores within our clusters of stores and distribution centres. In the process of opening new stores, we take various factors into account, including population density, customer traffic and vehicular traffic, customer accessibility, potential growth of the local population and economy, area development potential and future development trends, estimated spending power of the population and local economy and payback period, estimated on the basis of expected sales potential, strategic benefits, proximity and performance of competitors and store site characteristics. We have largely kept the layout and design of our stores consistent and predictable to make shopping with us easier.

We have posted consistent growth in our ROE despite owning the real estate underlying several of our stores. We believe that owning the real estate on which our stores are built or entering into long-term lease arrangements has helped us control our fixed costs per store. Other than the rental savings, which is partially offset by higher capital and capital servicing costs, we believe that ownership (including long-term leases) of our stores provides us with significant long-term competitive advantage.

Deep knowledge and understanding of optimal product assortment and strong supplier network enabling procurement at predicable and competitive pricing, leading to an overall efficient cycle

We sell a wide range of goods and merchandise across our product categories. We focus on using our deep knowledge of the clusters and regions in which we operate to customise our product assortment in each store keeping in mind local demands and preferences.We also continuously focus on enhancing the goods and merchandise we carry.

Our procurement team conducts detailed research on an ongoing basis to locate the best product sources, in relation to both quality and price. We have an extensive network of suppliers and we endeavour to source our products from regions where they are widely available or manufactured to minimise our procurement costs. We operate a standardised procurement system and procure most of our products on a purchase-order basis ensuring procurement flexibility at competitive prices.

We have a wide network of vendors and suppliers across the country. Our sustained efforts to improve our strong supplier network have led to an efficient supply and sale cycle. Further, we endeavour to pay our suppliers on time and are often able to procure discounts for such prompt payment.

High operating efficiency and lean cost structures through stringent inventory management using IT systems

We have benefitted from our in-depth understanding of local needs and our ability to respond quickly to changing consumer preferences. This has been achieved in part due to our advanced IT systems. We use our IT systems for procurement, sales and inventory management which enables us to identify and quickly react to changes in customer preferences by adjusting our products available, brands carried, stock levels and pricing in each of our stores and effectively monitor and manage the performance of each of our stores.

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, including procurement, sales and inventory control on a daily basis. Our IT systems also support our cash management, in-store systems, logistics systems, human resources and other administrative functions. Our IT systems run on ERP applications and are robust and scalable.

Together with our supply chain management systems and our internal controls to minimise product shortage and the occurrence of out-of-stock situations and pilferage, we are able to operate efficiently and productively with minimal disruptions to our day to day operations. Our Inventory Turnover Ratio (computed by dividing revenue from operations by average inventory, which is an average of opening inventory and closing inventory) was 14.32, 14.03 and 14.18, respectively in Fiscal 2014, 2015 and 2016.

Strong promoter background and an experienced and entrepreneurial management team with a proven track record and a high degree of employee ownership

Our business is consumer-driven. Our strong promoter background and an experienced senior management team have helped us to offer high standards of customer service and a pleasant shopping experience at our stores. One of our Promoters, Radhakishan S. Damani, brings to our Company his vision and leadership which we believe has been instrumental in our success. Our experienced management team and motivated and well-trained employees have enabled us to successfully establish a customer-oriented corporate culture, providing a foundation to maintain and enhance our long-term competitiveness.

Our Board and senior management have a proven track record and an in-depth understanding of the retail business in India and local consumer preferences. Key members of our senior management team including Ignatius Navil Noronha, our Managing Director (who has over 18 years of experience in the FMCG sector) and Ramakant Baheti, our Chief Financial Officer and an Executive Director on our Board (who has over 19 years of experience in the finance function) are dedicated to the sustainable growth of our business and have been with us for several years. We believe that our stable, senior management team has helped us successfully implement our development and operating strategies and provide quality service to our customers over the years.

We also believe that our employees have been an important factor in our success as the quality and efficiency of the services we provide are dependent on them. We have followed transparent management policies and have implemented employee stock option schemes over the years. Many of our present and past employees hold Equity Shares in our Company.We believe in continuous development and have invested in our employees through regular training programmes to improve skills and service standards, enhance loyalty, reduce attrition rates and increase productivity.

Strong track record of growth and profitability

According to Technopak, in Fiscal 2016, our Company was the largest and the most profitable F&G retailer in India. Our total store count has grown from 75 in Fiscal 2014 to 110 in Fiscal 2016.

As we have expanded our store network from one store in 2002 to 112 stores as of September 15, 2016, we have grown steadily in the recent years. Our total bill cuts, on a standalone basis, increased from 31.84 million in Fiscal 2012 to 43.07 million in Fiscal 2013, 53.40 million in Fiscal 2014, 67.17 million in Fiscal 2015 and 84.68 million in Fiscal 2016, respectively.

We have registered LFL growth of 20.28%, 31.63%, 26.06%, 22.43% and 21.49% for Fiscals 2012, 2013, 2014, 2015 and 2016, respectively.

We have generated strong cash flows from operations for the last five Fiscals.This has enabled us to further invest in our business. Our liquidity position enables us to consistently pay our suppliers on or before the due date, allowing us to benefit from supplier discounts.

We have a strong track record of revenue growth and profitability. Our total revenue has grown at a CAGR of 40.28% from ₹22,224.09 million in Fiscal 2012 to ₹86,061.05 million in Fiscal 2016. Our net profit after tax, as restated has grown at a CAGR of 51.85% from ₹604.06 million in Fiscal 2012 to ₹3,212.07 million in Fiscal 2016.

Our Strategies

Further strengthen our market position by expanding our store network in existing clusters as well as new clusters

We intend to further enhance our position in the retail supermarket business in Maharashtra and Gujarat by increasing our market penetration and expanding our store network in these states. We also intend to strengthen our store network in Andhra Pradesh, Telangana, Madhya Pradesh, Karnataka, Chhattisgarh, Tamil Nadu and northern India. We also opened a new store in Ghaziabad, NCR in June, 2016. We propose to utilise a portion of the Net Proceeds for setting up new stores aggregating to a built-up area of 2,100,000 sq. ft. over Fiscals 2018, 2019 and 2020. For further details, see "*Objects of the Issue*" from page 88 to 90.

With over a decade of experience and successful growth, we believe that we are well-positioned to take advantage of the growth potential and opportunities offered by many states in western, southern, central and northern India.

Our total store count grew from 75 in Fiscal 2014 to 110 in Fiscal 2016 while our Retail Business Area grew from 2.14 million sq. ft. to 3.33 million sq. ft. over this period. Increasing our penetration in existing cities with a greater number of stores will enable us to penetrate into new catchment areas within these cities and optimize our infrastructure. Enhancing our reach to cover additional cities will enable us to reach out to a larger population and become a preferred shopping destination for their daily needs.

The key factor affecting the expansion of our stores is the selection of suitable locations. We will continue to adopt a methodical and approach in evaluating and selecting suitable locations for the establishment of new stores, such as local population density, accessibility and proximity to our competitors. For further information on our site selection criteria and process, see "*Our Business – Store Operations*" from page 128 to 129. In order to optimise our profitability, maintain our operational flexibility and ensure that our stores continue to be located in densely populated neighbourhoods and residential locations, we intend to continue our flexible strategy of owning or leasing our premises according to availability, cost and other considerations.

Enhancing sales volumes by continuing to prioritise customer satisfaction through optimal product assortment and offering value for money using EDLC/EDLP strategy

Our strategy is to provide our customers with a comprehensive range of products at value for money prices and maintain optimal customer service standards. In order to maintain and enhance our competitive position, we will continue to offer our products at everyday low prices achieved through our low procurement, supply, operational and other costs.

We will continue to focus on optimal product assortment in each cluster of our operation keeping in mind the local needs and preferences. We plan to leverage our knowledge of consumer spending patterns and behaviour and rely on the data available to keep abreast of changes in consumption behaviour. We will continue to introduce new products depending on customer needs at one or several of our stores. We believe a continuous review of our merchandise according to our evolving understanding of customer preferences will help us better cater to our customers' needs, enhance their shopping experience and maximise our sales.

Shopping is considered a family activity in many of our markets. We endeavour to provide a one stop shopping experience. All our stores are air conditioned and we aim to provide a pleasant ambience and functional store layout. We have installed computerised billing points coupled with convenient payment options including, credit and debit cards, which provide greater flexibility and convenience to our customers. We intend to improve our customers' shopping experience by improving the checkout time and to continue to undertake periodic renovation of our stores.

Continue improving our operating efficiency and supply chain management

Our business model and pricing strategy require us to maintain high levels of operational efficiency on a consistent basis. Further, we believe that supply chain management is critical to our business. Our supply chain management involves planning, merchandising, sourcing, standardisation, vendor management, logistics, quality control, pilferage control, replacement and replenishment.

We plan to further improve our operating efficiency and ensure efficient supply chain management by:

- continuing to refine our store operating systems based on the performance of our stores and feedback from our customers and local management teams;
- investing further in our IT and data management systems to improve productivity and time savings thereby increasing our operating efficiency;
- continuing to strengthen our relationships with our suppliers through cooperation and closer coordination;
- expanding and upgrading our existing distribution centres to improve the efficiency of our inventory and supply management. We will continue to open new distribution centres in strategic locations to serve our existing and new stores when it is cost effective and efficient to do so; and
- continuing to absorb best industry practices.

We believe that owning the real estate for majority of our stores helps us control our fixed costs per store and helps us execute our EDLC/EDLP strategy effectively and we will continue to follow this strategy. We will continue to strive to improve our Fixed Asset Turnover Ratio (computed by dividing revenue from operations by total fixed assets) which was 3.72, 3.96 and 3.95 for Fiscal 2014, 2015 and 2016, respectively.

We intend to scale up and increase our existing distribution centre capability of 21 distribution centres in four states as we expand our store network. Our distribution and logistics set-up will allow us to continue to deliver goods and merchandise to the relevant stores based on orders placed, helping us optimise in-store availability of products.

Preserve our corporate culture and values and continue to focus on training

Our employees are critical to our business. We internally assess our employees to periodically identify competency gaps and use development inputs (such as training and job rotation) to address these gaps. We have been successful in building a team of talented professionals and intend to continue placing emphasis on managing attrition and attracting and retaining motivated employees. We have implemented staff training policies and assessment procedures in a transparent and consistent manner in the past and will continue to do so.

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

We will continue to regularly review and update our employee compensation plans and bonuses based on their individual performance so that our employees are suitably incentivised. We also intend to continuously re-engineer our organisation set up towards lean structure to allow us to respond effectively to changes in the business environment of our markets.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from:

a. The Restated Consolidated Financial Information of our Company as at and for the years ended March 31, 2016, 2015, 2014, 2013 and 2012; and

b. The Restated Standalone Financial Information of our Company, as at and for the years ended March 31, 2016, 2015, 2014, 2013 and 2012.

The Restated Financial Information referred to above are presented under "Financial Statements" beginning on page 161. The summary financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 161 and 167, respectively.

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RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

in ₹ million

Particulars	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Equity and Liabilities					
Shareholder's Funds					
Share capital	5,615.43	5,615.43	5,467.53	5,440.59	5,335.39
Reserves and surplus	9,588.84	6,376.77	4,088.30	2,454.88	1,481.58
Minority Interest	1.00	0.54	0.10	3.00	3.00
Non-current liabilities					
Long-term borrowings	9,084.69	7,137.75	4,568.37	3,711.62	2,643.19
Deferred tax liabilities (Net)	398.65	305.13	265.11	200.98	129.65
Other long term liabilities	161.72	160.84	124.43	133.86	113.39
Long Term Provisions	1.73	1.29	0.76	0.41	0.12
Current liabilities					
Short-term borrowings	1,296.99	436.86	546.57	623.66	633.33
Trade payables					
- Total outstanding dues of micro enterprises and small enterprises	8.04	1.88	4.17	5.64	8.93
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,910.27	1,183.25	1,221.77	938.21	634.75
Other current liabilities	2,769.98	2,150.33	1,701.34	1,346.03	897.73
Short-term provisions	164.60	178.05	88.03	61.86	27.70
Total	**31,001.94**	**23,548.12**	**18,076.48**	**14,920.74**	**11,908.76**
Assets					
Non Current Assets					
Fixed Assets					
Tangible assets	20,891.77	15,240.88	11,680.67	9,215.81	7,772.94
Intangible assets	43.40	39.93	36.20	30.84	17.73
Capital Work-in-progress (Tangible Assets)	816.87	981.17	887.82	1,181.09	849.36
Total Fixed Assets	**21,752.04**	**16,261.98**	**12,604.69**	**10,427.74**	**8,640.03**
Non Current Investments	274.75	145.60	152.41	159.48	137.55
Long term loans and advances	1,073.61	801.61	425.84	526.24	355.25
Other Non Current Assets	2.99	2.07	0.05	0.05	0.04
Current assets					
Current Investments	18.56	6.66	2.98	0.12	89.22
Inventories	6,716.88	5,396.09	3,783.29	2,762.25	1,957.36
Trade receivables	84.16	70.73	95.44	132.88	56.31
Cash and bank balances	350.99	380.43	554.10	616.17	479.17
Short-term loans and advances	723.91	481.42	454.75	294.73	179.88
Other current assets	4.05	1.53	2.93	1.08	13.95
Total	**31,001.94**	**23,548.12**	**18,076.48**	**14,920.74**	**11,908.76**

RESTATED CONSOLIDATED SUMMARY INFORMATION OF PROFIT & LOSSES

in ₹ million

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Revenue					
Revenue from Operations	85,881.19	64,394.33	46,864.88	33,408.54	22,085.60
Other Income	179.86	182.56	158.37	142.50	138.49
Total Revenue (A)	**86,061.05**	**64,576.89**	**47,023.25**	**33,551.04**	**22,224.09**
Expenses					
Purchase of stock-in-trade	74,398.53	56,484.73	40,865.32	29,379.25	19,567.71
Changes in inventory of stock in trade	(1,320.79)	(1,612.80)	(1,021.04)	(804.89)	(728.14)
Employee benefit expenses	1,486.06	1,340.62	873.37	686.65	453.12
Other Operational Costs	3,086.17	2,333.95	1,810.60	1,273.96	836.51
Finance Costs	908.24	723.61	556.76	425.85	260.19
Depreciation and amortisation	984.29	815.41	570.13	457.86	374.66
Other expenses	1,596.38	1,257.91	918.87	723.48	576.13
Total Expenses (B)	**81,138.88**	**61,343.43**	**44,574.01**	**32,142.16**	**21,340.18**
Profit / (Loss) before Taxation (A-B) (C)	**4,922.17**	**3,233.46**	**2,449.24**	**1,408.88**	**883.91**
Tax Expenses					
Current Tax	1,620.90	1,064.98	770.85	401.50	257.83
Deferred Tax charge	93.98	44.22	64.32	70.48	23.87
Tax in respect of earlier years	1.32	-	(0.18)	-	0.66
Total (D)	**1,716.20**	**1,109.20**	**834.99**	**471.98**	**282.36**
Net Profit/(Loss) after taxation (C-D) (E)	**3,205.97**	**2,124.26**	**1,614.25**	**936.90**	**601.55**
Net Profit / (Loss) Before Restatement Adjustments	**3,205.97**	**2,124.26**	**1,614.25**	**936.90**	**601.55**
Material Restatement Adjustments(F)	6.82	(6.99)	(0.72)	2.50	3.39
Deferred Tax adjustments(G)	0.46	0.06	0.19	(0.85)	(0.88)
Net Profit/(Loss) before the adjustments on account of changes in accounting policies (E+F+G)	**3,213.25**	**2,117.33**	**1,613.72**	**938.55**	**604.06**
Adjustments on account of changes in accounting policies	-	-	-	-	-
Net Profit/(Loss) before Minority Interest and Share in Net Loss of Associates	**3,213.25**	**2,117.33**	**1,613.72**	**938.55**	**604.06**
Minority Interest	**0.46**	**0.44**	**-**	**-**	**-**
Share in Net Loss of Associates	**0.72**	**-**	**-**	**-**	**-**
Net Profit/(Loss) as Restated	**3,212.07**	**2,116.89**	**1,613.72**	**938.55**	**604.06**

RESTATED CONSOLIDATED SUMMARY INFORMATION OF CASH FLOW

in ₹ million

Particulars	For the year ended				
	March 31, 2016	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**	**March 31, 2012**
Cash Flow from Operating Activities:					
Restated Net Profit/(loss) before tax, after restatement adjustments	**4,928.99**	**3,226.47**	**2,448.52**	**1,411.38**	**887.30**
Adjustments for:					
Depreciation and Amortisation	984.29	815.41	570.13	457.86	374.66
Finance Costs	908.24	723.61	556.76	425.85	260.19
Loss on sale/discardment of fixed assets (Net)	8.46	14.37	5.54	4.91	5.64
Expenses on increase of share capital/ ESOP	-	1.45	0.55	-	1.93
Provisions no longer required written back	-	(1.52)	(2.95)	(3.98)	(1.82)
Sundry Balances written off	0.20	0.04	0.91	6.91	2.60
Interest Income	(6.17)	(5.01)	(11.09)	(3.32)	(5.83)
Dividend Income	-	-	-	-	(0.26)
Profit on Sale of Current Investments	(25.48)	(34.47)	(9.83)	(8.51)	(8.76)
Operating Profit/ (Loss) before Working Capital Changes	**6,798.53**	**4,740.35**	**3,558.54**	**2,291.10**	**1,515.65**
Adjusted for:					
Increase / (Decrease) in Trade Payables	732.98	(39.33)	284.13	297.24	197.78
Increase / (Decrease) in Provisions	12.72	16.60	2.33	(0.09)	8.44
Increase / (Decrease) in Other Current Liabilities	225.85	108.95	66.44	43.33	(3.89)
Increase / (Decrease) in Other long term Liabilities	0.88	36.41	(9.43)	20.47	(12.77)
(Increase) / Decrease in Trade Receivables	(13.43)	24.71	37.44	(76.57)	(31.24)
(Increase) / Decrease in Inventory	(1,320.79)	(1,612.80)	(1,021.04)	(804.89)	(728.14)
(Increase) / Decrease in Loans and Advances	(320.56)	(54.28)	(185.02)	(132.51)	(6.65)
(Increase) / Decrease in other current assets	(2.52)	1.40	(1.85)	0.23	(0.53)
(Increase) / Decrease in other non-current assets	(0.92)	(2.02)	-	(0.01)	-
	(685.79)	**(1,520.36)**	**(827.00)**	**(652.80)**	**(577.00)**
Cash generated from/ (used in) operations	**6,112.74**	**3,219.99**	**2,731.54**	**1,638.30**	**938.65**
Taxes paid (net)	1,641.35	999.81	750.14	367.37	285.01
Net cash generated from/ (used in) Operating Activities (A)	**4,471.39**	**2,220.18**	**1,981.40**	**1,270.93**	**653.64**
Cash Flow from Investing Activities:					
Inflows :					
Sale of Current Investments	33,365.49	29,044.77	6,445.84	1,943.21	1,403.24
Sale of tangible/non-tangible assets	19.94	4.65	11.19	4.89	0.31
Sale of Assets held for Sale	-	-	-	12.00	-
Dividend Received	-	-	-	-	0.26
Outflows :					
Purchase of Current Investments	(33,351.91)	(29,013.98)	(6,438.87)	(1,845.60)	(854.16)
Purchase of Non-current Investments	(136.36)	-	-	(29.00)	(5.99)
Purchase of tangible/non-tangible assets	(6,480.52)	(4,774.27)	(2,716.99)	(2,394.35)	(1,832.81)
Acquisiton of Minority Interest in Nahar Seth Jogani & Associates	-	-	(2.90)	-	-
Net Cash generated from/ (used in) Investing Activities (B)	**(6,583.36)**	**(4,738.83)**	**(2,701.73)**	**(2,308.85)**	**(1,289.15)**
Cash Flow from Financing Activities:					
Inflows :					
Increase in Share Capital (Including premium net of expenses)	-	325.89	46.09	139.95	358.03
Interest Income	6.00	4.84	11.07	3.21	6.45
Term Loans Received	-	2,950.00	2,150.00	1,998.20	1,253.11
Non Convertible Debentures Issued	3,500.00	2,000.00	-	-	-
Commercial Papers Issued (Net)	500.00	-	-	-	-

Particulars	For the year ended				
	March 31, 2016	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**	**March 31, 2012**
Working Capital Loans Received (Net)	366.33	-	298.91	190.33	33.33
Outflows :					
Repayment of Term Loans	(1,468.00)	(2,205.87)	(925.36)	(534.65)	(316.54)
Repayment of working capital loan (Net)	-	(103.21)	-	-	-
Repayment of Unsecured Loans	(6.20)	(6.50)	(376.00)	(200.00)	(150.00)
Finance Costs	(816.32)	(620.64)	(552.38)	(421.68)	(249.47)
Net Cash generated from/ (used in) in Financing Activities (C)	**2,081.81**	**2,344.51**	**652.33**	**1,175.36**	**934.91**
Net increase/(decrease) in Cash and Cash equivalents (A)+(B)+(C)	**(30.16)**	**(174.14)**	**(68.00)**	**137.44**	**299.40**
Cash and cash equivalents (Opening Balance)	372.16	546.30	614.30	476.86	177.46
Cash and cash equivalents (Closing Balance)	**342.00**	**372.16**	**546.30**	**614.30**	**476.86**
Cash and cash equivalents comprise of:	350.99	380.43	554.10	616.17	479.17
Less : Deposit under Lien	8.99	8.27	7.80	1.87	2.31
Total	**342.00**	**372.16**	**546.30**	**614.30**	**476.86**

RESTATED STANDALONE SUMMARY INFORMATION OF ASSETS AND LIABILITIES

in ₹million

Particulars	As at				
	March 31, 2016	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**	**March 31, 2012**
Equity and Liabilities					
Shareholder's Funds					
Share capital	5,615.43	5,615.43	5,467.53	5,440.59	5,335.39
Reserves and surplus	9,503.15	6,313.98	4,035.42	2,419.76	1,459.19
Non-current liabilities					
Long-term borrowings	9,084.69	7,137.75	4,568.37	3,711.62	2,643.19
Deferred tax liabilities (Net)	400.94	306.50	265.31	200.97	129.77
Other long term liabilities	180.57	179.69	143.28	149.56	113.39
Current liabilities					
Short-term borrowings	1,134.91	269.36	377.46	610.42	633.33
Trade payables					
- Total outstanding dues of micro enterprises and small enterprises	8.04	1.88	4.17	5.64	8.93
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,969.79	1,333.49	1,272.04	964.30	633.94
Other current liabilities	2,755.83	2,144.60	1,691.59	1,340.73	888.00
Short-term provisions	162.01	175.36	87.32	60.39	25.80
Total	**30,815.36**	**23,478.04**	**17,912.49**	**14,903.98**	**11,870.93**
Assets					
Non Current Assets					
Fixed Assets					
Tangible assets	20,612.69	15,056.74	11,650.59	9,192.08	7,769.95
Intangible assets	41.76	39.92	36.18	30.83	17.73
Capital Work-in-progress (Tangible Assets)	816.87	915.90	780.31	1,073.59	741.88
Total Fixed Assets	**21,471.32**	**16,012.56**	**12,467.08**	**10,296.50**	**8,529.56**
Non Current Investments	296.47	166.60	173.41	201.58	159.75
Long term loans and advances	1,145.21	873.52	499.99	601.48	434.35
Other Non Current Assets	2.99	2.07	0.05	0.05	0.04
Current assets					
Current Investments	-	-	-	0.12	80.12
Inventories	6,602.01	5,299.17	3,639.79	2,578.14	1,852.65
Trade receivables	83.77	70.73	95.02	131.15	44.80
Cash and bank balances	325.87	358.63	519.15	588.92	446.49
Short-term loans and advances	865.56	669.21	490.87	488.16	297.09
Other current assets	22.16	25.55	27.13	17.88	26.08
Total	**30,815.36**	**23,478.04**	**17,912.49**	**14,903.98**	**11,870.93**

RESTATED STANDALONE SUMMARY INFORMATION OF PROFIT & LOSSES

in ₹million

Particulars	For the year ended				
	March 31, 2016	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**	**March 31, 2012**
Revenue					
Revenue from Operations	85,795.35	64,335.20	46,806.01	33,346.18	22,026.00
Other Income	200.98	208.74	187.16	163.41	154.97
Total Revenue (A)	**85,996.33**	**64,543.94**	**46,993.17**	**33,509.59**	**22,180.97**
Expenses					
Purchase of stock-in-trade	74,485.31	56,661.19	41,064.72	29,401.32	19,566.79
Changes in inventory of stock in trade	(1,302.84)	(1,659.38)	(1,061.65)	(725.49)	(673.53)
Employee benefit expenses	1,457.92	1,312.33	852.28	674.99	447.39
Other Operational Costs	3,026.52	2,279.66	1,750.29	1,221.29	802.33
Finance Costs	907.28	719.66	553.26	424.08	260.20
Depreciation and amortisation	970.98	806.04	564.43	455.56	374.17
Other expenses	1,563.39	1,209.50	846.29	668.27	534.76
Total Expenses (B)	**81,108.56**	**61,329.00**	**44,569.62**	**32,120.02**	**21,312.11**
Profit / (Loss) before Taxation (A-B) (C)	**4,887.77**	**3,214.94**	**2,423.55**	**1,389.57**	**868.86**
Tax Expenses					
Current Tax	1,609.66	1,055.73	762.74	395.02	252.57
Deferred Tax charge	94.90	45.37	64.52	70.36	23.85
Tax in respect of earlier years	1.32	-	-	-	0.66
Total (D)	**1,705.88**	**1,101.10**	**827.26**	**465.38**	**277.08**
Net Profit/(Loss) after taxation (C-D) (E)	**3,181.89**	**2,113.84**	**1,596.29**	**924.19**	**591.78**
Net Profit / (Loss) Before Restatement Adjustments	**3,181.89**	**2,113.84**	**1,596.29**	**924.19**	**591.78**
Material Restatement Adjustments (F)	6.82	(6.99)	(0.51)	2.47	3.38
Deferred Tax Adjustment (G)	0.46	0.06	0.18	(0.84)	(0.88)
Net Profit/(Loss) before the adjustments on account of changes in accounting policies (E+F+G)	**3,189.17**	**2,106.91**	**1,595.96**	**925.82**	**594.28**
Adjustments on account of changes in accounting policies	-	-	-	-	-
Net Profit/(Loss) as Restated	**3,189.17**	**2,106.91**	**1,595.96**	**925.82**	**594.28**

RESTATED STANDALONE SUMMARY INFORMATION OF CASH FLOW

in ₹ million

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Cash Flow from Operating Activities:					
Restated Net Profit/(loss) before tax, after restatement adjustments	**4,894.59**	**3,207.95**	**2,423.04**	**1,392.04**	**872.24**
Adjustments for:					
Depreciation and Amortisation	970.98	806.04	564.43	455.56	374.17
Finance Costs	907.28	719.66	553.26	424.08	260.20
Loss on sale/discardment of fixed assets (Net)	7.81	14.37	5.54	4.88	5.56
Expenses on increase of share capital	-	-	-	-	1.93
Expense on Employee Stock Option Scheme	-	1.45	0.55	-	-
Provisions no longer required written back	-	(1.52)	(2.99)	(3.94)	(1.82)
Sundry Balances written off	0.20	0.04	0.91	6.89	2.61
Interest Income	(25.63)	(29.36)	(38.10)	(22.50)	(20.24)
Dividend Income	-	-	-	-	(0.26)
Profit on Sale of Current Investments	(25.18)	(34.29)	(9.71)	(7.99)	(8.76)
Operating Profit/ (Loss) before Working Capital Changes	**6,730.05**	**4,684.34**	**3,496.93**	**2,249.02**	**1,485.63**
Adjusted for:					
Increase / (Decrease) in Trade Payables	642.26	60.64	308.35	324.12	231.29
Increase / (Decrease) in Provisions	12.16	15.81	1.83	(0.53)	8.49
Increase / (Decrease) in Other Current Liabilities	221.94	110.24	60.72	48.62	(76.69)
Increase / (Decrease) in Other long term Liabilities	0.88	36.41	(6.28)	36.17	(12.77)
(Increase) / Decrease in Trade Receivables	(13.04)	24.29	36.13	(86.35)	(29.15)
(Increase) / Decrease in Inventory	(1,302.84)	(1,659.38)	(1,061.65)	(725.49)	(673.53)
(Increase) / Decrease in Loans and Advances	(276.20)	(205.75)	(26.90)	(205.11)	(44.98)
(Increase) / Decrease in other current assets	3.39	1.58	(9.25)	(4.44)	(4.30)
(Increase) / Decrease in other non-current assets	(0.92)	(2.02)	-	(0.01)	-
	(712.37)	**(1,618.18)**	**(697.05)**	**(613.02)**	**(601.64)**
Cash generated from/ (used in) operations	**6,017.68**	**3,066.16**	**2,799.88**	**1,636.00**	**883.99**
Taxes paid (net)	1,627.29	992.35	740.98	360.04	279.89
Net cash generated from/ (used in) Operating Activities (A)	**4,390.39**	**2,073.81**	**2,058.90**	**1,275.96**	**604.10**
Cash Flow from Investing Activities:					
Inflows :					
Sale of Current Investments	33,358.53	29,041.62	6,445.72	1,933.59	1,403.24
Sale of tangible/non-tangible assets	19.93	4.53	11.19	1.49	12.94
Sale of Assets held for Sale	-	-	-	12.00	-
Repayment of Capital by Partnership Firm	-	-	21.10	-	-
Dividend Received	-	-	-	-	0.26
Outflows :					
Purchase of Current Investments	(33,333.35)	(29,007.33)	(6,435.89)	(1,845.60)	(845.06)
Purchase of Non-current Investments	(136.36)	-	-	(48.90)	(6.03)
Purchase of tangible/non-tangible assets	(6,437.76)	(4,650.88)	(2,703.07)	(2,368.37)	(1,831.84)
Net Cash generated from/ (used in) Investing Activities (B)	**(6,529.01)**	**(4,612.06)**	**(2,660.95)**	**(2,315.79)**	**(1,266.49)**
Cash Flow from Financing Activities:					

Particulars	For the year ended				
	March 31, 2016	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**	**March 31, 2012**
Inflows :					
Increase in Share Capital (Including premium net of expenses)	-	325.89	46.09	139.96	358.03
Interest Income	25.16	29.37	38.08	22.50	20.21
Term Loans Received	-	2,950.00	2,150.00	1,998.20	1,253.11
Non Convertible Debentures Issued	3,500.00	2,000.00	-	-	-
Commercial Papers Issued (Net)	500.00	-	-	-	-
Working Capital Loans Received (Net)	365.55	-	167.04	177.09	33.33
Outflows :					
Repayment of Term Loans	(1,468.00)	(2,205.87)	(925.35)	(534.65)	(316.52)
Repayment of working capital loan (Net)	-	(108.10)	-	-	-
Repayment of Unsecured Loans	-	-	(400.00)	(200.00)	(150.00)
Finance Costs	(817.05)	(614.04)	(549.01)	(420.26)	(249.48)
Net Cash generated from/ (used in) in Financing Activities (C)	**2,105.66**	**2,377.25**	**526.85**	**1,182.84**	**948.68**
Net increase/(decrease) in Cash and Cash equivalents (A)+(B)+(C)	**(32.96)**	**(161.00)**	**(75.20)**	**143.01**	**286.29**
Cash and cash equivalents (Opening Balance)	352.70	513.70	588.90	445.89	159.60
Cash and cash equivalents (Closing Balance)	**319.74**	**352.70**	**513.70**	**588.90**	**445.89**
Cash and cash equivalents comprise of:	325.87	358.63	519.15	588.92	446.49
Less : Deposit under Lien	6.13	5.93	5.45	0.02	0.60
Total	**319.74**	**352.70**	**513.70**	**588.90**	**445.89**

Matter of emphasis in our Restated Financial Information and actions taken by management

Our Statutory Auditors have included a matter of emphasis in relation to our Company in the Restated Financial Information in relation to delay and non-appointment of requisite number of independent directors to our Board under the Companies Act, 2013 for Fiscal 2016. For Fiscal 2016, the Board comprised of only one independent director and in the absence of requisite number of independent directors on the Board, the constitution of each of the Audit Committee and the Nomination & Remuneration Committee were not in accordance with Section 177 and Section 178 of the Companies Act, 2013. Our Company has filed a compounding application with the RoC in this regard on August 1, 2016.

THE ISSUE

The following table summarizes the details of the Issue:

Issue [(1)]	Up to [●] Equity Shares aggregating up to ₹ 18,700 million
A) QIB Portion[(2)(3)]	[●] Equity Shares
of which	
Anchor Investor Portion	Not more than [●] Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion)	[●] Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion[(3)]	Not less than [●] Equity Shares
C) Retail Portion[(3)]	Not less than [●] Equity Shares
Pre and post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	561,542,680 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Utilisation of Net Proceeds	For details, see "*Objects of the Issue*" beginning on page 83 for information about the use of Net Proceeds from the Issue.

(1) *The Issue has been authorised by our Board pursuant to a resolution passed at its meeting held on July 23, 2016 and by the Shareholders pursuant to their resolution passed on September 16, 2016.*

(2) *Our Company may, in consultation with the Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Any unsubscribed portion in the Mutual Fund Portion will be added to the QIB Portion (excluding Anchor Investor Portion) and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Issue Procedure" from page 250 to 251. Allocation to all categories shall be made in accordance with the SEBI Regulations.*

(3) *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with the Lead Managers and the Designated Stock Exchange.*

Allocation to investors in all categories, except the Retail Category and the Anchor Investor Portion, if any, shall be made on a proportionate basis. For futher details on allocation to Retail Category and the Anchor Investor Portion, see "*Issue Procedure"* from page 250 to 251.

GENERAL INFORMATION

Our Company was incorporated as Avenue Supermarts Private Limited on on May 12, 2000, at Mumbai, Maharashtra as a private limited company under the Companies Act, 1956. The name of our Company was changed to Avenue Supermarts Limited due to conversion from private company to public limited company on May 3, 2011. For details of changes in the name and Registered Office of our Company, see "*History and Certain Corporate Matters*" on page 134. For details of the business of our Company, see "*Our Business*" beginning on page 119.

Registered Office
Anjaneya CHS Limited, Orchard Avenue
Opp. Hiranandani Foundation School
Powai, Mumbai - 400 076
Tel: (91 22) 4049 6500
Fax: (91 22) 4049 6503
Website: www.dmartindia.com
Corporate Identity Number: U51900MH2000PLC126473
Registration Number: 126473

Corporate Office
B - 72/72A, Wagle Industrial Estate
Road No. 33, Kamgar Hospital Road
Thane - 400 604
Tel: (91 22) 3340 0500
Fax: (91 22) 3340 0599

Address of the RoC

Our Company is registered with the Registrar of Companies located at 100, Everest, Marine Drive, Mumbai - 400 002.

Our Board of Directors consists of:

Name	Designation	DIN	Address
Ramesh S. Damani	Chairman and Independent Director	00304347	Sunshine, 6th Floor, 156, M. Karve Road, Mumbai - 400 020
Ignatius Navil Noronha	Managing Director	01787989	D/102, Golden Square, Near MHB Colony, Sunder Nagar, Next to Kalina University, Santacruz (East), Mumbai - 400 098
Ramakant Baheti	Chief Financial Officer and Executive Director	00246480	A/501, Hercules, Vasant Galaxy, Bangur Nagar, Goregaon (West), Mumbai - 400 090
Elvin Machado	Executive Director	07206710	House No. 234/B, Shalaka, Pali Karijbhat, near Pali Church, Vasai, Thane - 401 201
Manjri Chandak	Non-Executive Director	03503615	C - 501/602, Vastu Apartments, Near Devanand Bungalow, Juhu, Mumbai - 400 049
Chandrashekhar B. Bhave	Independent Director	00059856	64, Tower 4, Pebble Bay, 1st Main RMV 2nd Stage, Dollars Colony, Bangalore - 560 094

For further details of our Directors, see "*Our Management*" from page 138 to 142.

Company Secretary and Compliance Officer
Ashu Gupta is the Company Secretary and the Compliance Officer of our Company. Her contact details are as follows:
B - 72/72A, Wagle Industrial Estate
Road No. 33, Kamgar Hospital Road
Thane - 400 604
Tel: (91 22) 3340 0500
Fax: (91 22) 3340 0599
Email: ashu.gupta@dmartindia.com

Chief Financial Officer
Ramakant Baheti is the Chief Financial Officer of our Company. His contact details are as follows:
B - 72/72A, Wagle Industrial Estate
Road No. 33, Kamgar Hospital Road
Thane - 400 604
Tel: (91 22) 3340 0500
Fax: (91 22) 3340 0599
Email: ramakant@dmartindia.com

Investors can contact the Compliance Officer, the Lead Managers or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and funds by electronic mode.

All Issue related grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the Bidders shall also enclose a copy of the Acknowledgement Slip duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

Global Co-ordinator and Book Running Lead Manager.
Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC, Plot No. 27
"G" Block, Bandra Kurla Complex
Bandra (East)
Mumbai - 400 051
Tel: (91 22) 4336 0000
Fax: (91 22) 6713 2445
E-mail: asl.ipo@kotak.com
Investor Grievance ID: kmccredressal@kotak.com
Website: www.investmentbank.kotak.com
Contact Person: Ganesh Rane
SEBI Registration No.: INM000008704

Book Running Lead Managers

Axis Capital Limited
1st floor, Axis House
C 2 Wadia International Centre
Pandurang Budhkar Marg, Worli
Mumbai - 400 025
Tel: (91 22) 4325 2183
Fax: (91 22) 4325 3000
E-mail: dmart.ipo@axiscap.in
Investor Grievance E-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Kanika Goyal
SEBI Registration No.: INM000012029

Edelweiss Financial Services Limited
14th Floor, Edelweiss House
Off. C.S.T Road, Kalina
Mumbai - 400 098
Tel: (91 22) 4009 4400
Fax: (91 22) 4086 3610
E-mail: Dmart.ipo@edelweissfin.com
Investor Grievance E-mail:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Sudhanshu Bhasin
SEBI Registration No.: INM0000010650

HDFC Bank Limited
Investment Banking Group
Unit No 401& 402, 4th floor, Tower B
Peninsula Business Park
Lower Parel
Mumbai - 400 013
Tel: (91 22) 33958019
Fax: (91 22) 30788584
E-mail: dmart.ipo@hdfcbank.com
Investor Grievance E-mail:
investor.redressal@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Rishi Tiwari/ Keyur Desai
SEBI Registration No: INM000011252

ICICI Securities Limited
ICICI Center,H.T. Parekh Marg
Churchgate
Mumbai - 400 020
Tel: (91 22) 2288 2460
Fax: (91 22) 2282 6580
E-mail: dmart.ipo@icicisecurities.com
Website: www.icicisecurities.com
Investor Grievance E-mail:
customercare@icicisecurities.com
Contact Person: Govind Khetan
SEBI Registration No.: INM000011179

Inga Capital Private Limited
Naman Midtown, 'A' Wing, 21st Floor
Senapati Bapat Marg
Elphinstone (West)
Mumbai - 400 013
Tel: (91 22) 4031 3489
Fax: (91 22) 4031 3379
E-mail: asl.ipo@ingacapital.com

JM Financial Institutional Securities Limited
7th Floor, Cnergy
Appasaheb Marathe Marg, Prabhadevi
Mumbai - 400 025
Tel: (91 22) 6630 3030
Fax: (91 22) 6630 3330
E-mail: grievance.ibd@ jmfl.com
Investor Grievance E-mail: grievance.ibd@ jmfl.com

Investor Grievance E-mail: investors@ingacapital.com
Website: www.ingacapital.com
Contact Person: Ashwani Tandon
SEBI Registration Number: INM000010924

Motilal Oswal Investment Advisors Private Limited
Motilal Oswal Tower
Rahimtullah Sayani Road
Opposite Parel ST Bus Depot
Prabhadevi
Mumbai - 400 025
Tel: (91 22) 3980 4200
Fax: (91 22) 3980 4315
E-mail: dmart.ipo@motilaloswal.com
Investor Grievance E-mail:
moipalredressal@motilaloswal.com
Website: www.motilaloswalgroup.com
Contact Person: Subodh Mallya/Subrat Panda
SEBI Registration No.: INM000011005

Website: www.jmfl.com
Contact Person: Lakshmi Lakshmanan
SEBI Registration No.: INM000010361

SBI Capital Markets Limited
202, Maker Tower 'E'
Cuffe Parade
Mumbai - 400 005
Tel: (91 22) 2217 8300
Fax: (91 22) 2218 8332
E-mail: asl.ipo@sbicaps.com
Investor Grievance E-mail: investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Kavita Tanwani
SEBI Registration: INM000003531

Syndicate Members

[●]

Indian Legal Counsel to our Company
Cyril Amarchand Mangaldas
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai - 400 013
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

Indian Legal Counsel to the Lead Managers
Luthra & Luthra Law Offices
Indiabulls Finance Centre
Tower 2, Unit A2, 20th Floor
Elphinstone Road, Senapati Bapat Marg
Mumbai - 400 013
Tel: (91 22) 6630 3600
Fax: (91 22) 6630 3700

International Legal Counsel to the Lead Managers
Herbert Smith Freehills LLP
50 Raffles Place,
#24-01 Singapore Land Tower
Singapore 048623
Tel: (65) 6868 8000
Fax: (65) 6868 8001

Statutory Auditors to our Company

Dalal & Shah LLP, Chartered Accountants
252, Veer Sawarkar Marg
Shivaji Park, Dadar
Mumbai 400 028
Tel: (91 22) 6669 1000
Fax: (91 22) 6654 7804
E-mail: ipo.hh@in.pwc.com
Firm Registration No.: 102021W/W100110
Peer Review No.: 007168

Registrar to the Issue:

Link Intime India Private Limited
C - 13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai - 400 078
Tel: (91 22) 6171 5400
Fax: (91 22) 2596 0329
E-mail: asl.ipo@linkintime.co.in
Investor grievance e-mail: asl.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI registration number: INR000004058

Bankers to the Issue/ Escrow Collection Bank(s)

[●]

Public Issue Account Bank(s)

[●]

Refund Bank

[●]

Lenders and Bankers to our Company

Kotak Mahindra Bank Limited
2nd Floor, 27 BKC, Plot No. C - 27
“G” Block, Bandra Kurla Complex
Bandra (East)
Mumbai - 400 051
Tel: (91 22) 6166 0290
Fax: (91 22) 6713 2414
E-mail: srikanth.viswatmula@kotak.com
Website: www.kotak.com
Contact person: Srikanth Viswatmula

Axis Bank Limited
12, ‘Mittal Towers’
A - Wing, First Floor
Nariman Point
Mumbai - 400 021
Tel: (91) 9867 595021
Fax: (91 22) 2289 5216
E-mail: Sanjay.Tendulkar@axisbank.mail.onmicrosoft.com
Website: www.axisbank.com
Contact person: Sanjay Tendulkar

ICICI Bank Limited
Shop No. 14, 15 & 16
Shri Ganesh CHS
Sector 1, Opposite Apna Bazar
Navi Mumbai - 400 703
Tel: (91 22) 4185 2129 /118/130
Fax: (91 22) 4185 2100
E-mail:rajeev.r@icicibank.com
Website: www.icicibank.com
Contact person: Rajeev Ranjan

HDFC Bank Limited
HDFC Bank House, Senapati Bapat Marg
Lower Parel (West)
Mumbai - 400 013
Tel: (91 22) 2498 8484/3147
Fax: (91 22) 4080 4711
E-mail: samit.mehta@hdfcbank.com
Website: www.hdfcbank.com
Contact person: Samit Mehta

The Hong Kong and Shanghai Banking Corporation
52/60 M.G.Road, Fort
Mumbai - 400 001
Tel: (91 22) 2268 1110
E-mail: sourabh1.jain@hsbc.co.in
Contact person: Sourabh Jain

Yes Bank Limited
Indiabulls Finance Centre
25th Floor, Tower 2
Senapati Bapat Marg
Elphinstone Road (W)
Mumbai - 400 013
Tel: (91 22) 3347 9342
Fax: (91 22) 2521 5412
E-mail: Ankurkumar.Mody@yesbank.in
Website: www.yesbank.in
Contact person: Ankurkumar Mody

Designated Intermediaries

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries, as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, see the above-mentioned link.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

Registrar to an Issue and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditors, namely, Dalal & Shah LLP, Chartered Accountants to include its name as an expert under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to the reports of the Statutory Auditors dated September 29, 2016, on the Restated Standalone Financial Information and Restated Consolidated Financial Information of our Company, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus. A written consent under the provisions of the Companies Act, 2013 is different from a consent filed with the U.S. Securities and Exchange Commission under Section 7 of the Securities Act which is applicable only to transactions involving securities registered under the Securities Act. As the Equity Shares are proposed to be offered as a part of an initial public offering in India and the Equity Shares have not been and will not be registered under the Securities Act, the Statutory Auditors have not given consent under Section 7 of the Securities Act. In this regard, the Statutory Auditors have given consent to be referred to as “experts” in this Draft Red Herring Prospectus in accordance with the requirements of the Companies Act, 2013. The term “experts” as used in this Draft Red Herring Prospectus is different from those defined under the Securities Act which is applicable only to transactions involving securities registered under the Securities Act. The reference to the Statutory Auditors as “experts”in this Draft Red Herring Prospectus is not made in the context of the Securities Act but solely in the context of this initial public offering in India.

Our Company has received written consent from Jhawar Mantri & Associates, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “Expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the statement of tax benefits dated September 16, 2016, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent from Technopack to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “Expert” as defined under Section 2(38) of the Companies Act, 2013 in respect to the Technopack Report, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent from Liladhar Parab, Architect & Designers, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “Expert” as defined under Section 2(38) of the Companies Act, 2013 in respect to the certificate dated September 27, 2016 (the “**Architect Certificate**”) and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.

Monitoring Agency

The Company has appointed [●], as the monitoring agency to monitor the utilisation of the Net Proceeds in terms of Regulation 16 of the SEBI Regulations. The details of the Monitoring Agency are as follows:

[●]

Appraising Entity

None of the objects of the Issue for which the Net Proceeds will be utilised have been appraised by any agency.

Inter-se allocation of Responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities among the Lead Managers for the Issue:

Statement of Inter-se Allocation of Responsibilities for the Issue:

S. No	Activity	Responsibility	Coordinating Book Running Lead Manager
1.	Capital structuring with the relative components and formalities such as composition of debt and equity	GCBRLM and BRLMs	Kotak
2.	Due diligence of the Company including its operations/ management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus including a memorandum containing salient features of the Prospectus. The Lead Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	GCBRLM and BRLMs	Kotak
3.	Drafting and approval of all statutory advertisements	GCBRLM and BRLMs	Kotak
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, media complaince report, etc.	GCBRLM and BRLMs	Motilal
5.	Appointment of Intermediaries (including co-ordinating all agreements to be entered with such parties) – Registrar to the Issue, Banker(s) to the Issue, Advertising Agency, Printers and and Monitoring Agency	GCBRLM and BRLMs	HDFC
6.	Non-Institutional and retail marketing of the Issue, which will cover, inter alia, • Finalising media, marketing and public relations strategy; • Finalising centres for holding conferences for brokers, etc; • Follow-up on distribution of publicity and Issue material including form, the Prospectus and deciding on the quantum of the Issue material; and • Finalising collection centres	GCBRLM and BRLMs	I-Sec
7.	Domestic Institutional marketing of the Issue, which will cover, inter alia: • Institutional marketing strategy • Finalizing the list and division of domestic investors for one-to-one	GCBRLM and BRLMs	Kotak

S. No	Activity	Responsibility	Coordinating Book Running Lead Manager
	meetings • Finalizing domestic road show and investor meeting schedule		
8.	Marketing and road-show presentation and preparation of frequently asked questions for the road show team	GCBRLM and BRLMs	Kotak
9.	International Institutional marketing of the Issue, which will cover, inter alia: • Institutional marketing strategy • Finalizing the list and division of international investors for one-to-one meetings • Finalizing international road show and investor meeting schedule	GCBRLM and BRLMs	Kotak
10.	Coordination with Stock-Exchanges for book building software, bidding terminals and mock trading	GCBRLM and BRLMs	Motilal
11.	Managing the book and finalization of pricing in consultation with the Company	GCBRLM and BRLMs	Kotak
12.	Post-bidding activities, including management of escrow accounts, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Bidders, etc. The post-Issue activities will involve essential follow-up steps, including finalisation of trading, dealing of instruments and demat of delivery of shares with the various agencies connected with the work such as the Registrars to the Issue, the Bankers to the Issue, the bank handling refund business and the SCSBs. The Lead Managers shall be responsible for ensuring that these agencies fulfill their functions and discharge this responsibility through suitable agreements with the Company.	GCBRLM and BRLMs	Kotak

Credit Rating

As this is an offer of Equity Shares, there is no credit rating for the Issue.

Trustees

As this is an issue of Equity Shares, the appointment of trustees is not required.

Book Building Process

The book building process, in the context of the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus, the Bid cum Application Form and the Revision Form. The Price Band and the minimum Bid Lot will be decided by our Company, in consultation with the Lead Managers, and advertised in [●] editions of the English national newspaper [●], [●] editions of the Hindi national newspaper [●] and the Marathi newspaper [●] (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/ Issue Opening Date. The Issue Price shall be determined by our Company, in consultation with the Lead Managers, after the Bid/ Issue Closing Date.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in theIssue.

In accordance with the SEBI Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.

For further details on the method and procedure for Bidding, see "*Issue Procedure*" beginning on page 223.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see " *Issue Procedure - Part B - Basis of Allocation - Illustration of Book Building Process and Price Discovery Process*" on page 250.

Underwriting Agreement

After the determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company proposes to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC.).

Name, address, telephone number, fax number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (₹in million)
[●]	[●]	[●]

The above-mentioned is the indicative underwriting amount and will be finalised after pricing and actual allocation and subject to the provisions of the SEBI Regulations.

In the opinion of our Board (based on certificates provided by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board/ IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

Notwithstanding the above, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchases for or purchase of the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and our Company intends to enter into an Underwriting Agreement with the Underwriters after the determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Draft Red Herring Prospectus is set forth below:

(in ₹, except share data)

		Aggregate value at face value	Aggregate value at Issue Price
A	**Authorised Share Capital**		
	750,000,000 Equity Shares (of face value ₹ 10 each)	7,500,000,000	-
B	**Issued, Subscribed and Paid-up Capital before the Issue**		
	561,542,680 Equity Shares (of face value ₹ 10 each)(1)	5,615,426,800	-
C	**Present Issue in Terms of this Draft Red Herring Prospectus**		
	Issue of up to [●] Equity Shares aggregating up to ₹ 18,700 million	[●]	-
D	**Issued, Subscribed and Paid-up Capital after the Issue**		
	[●] Equity Shares	[●]	[●]
E	**Securities Premium Account**		
	Before the Issue	316,946,000	
	After the Issue	[●]	

(1) The Issue has been authorised by the Board pursuant to its resolution passed on July 23, 2016 and by the Shareholders pursuant to their resolution passed on September 16, 2016.

Changes in the Authorised Share Capital of our Company

1. The initial authorised share capital of our Company was increased from ₹ 1,000,000 comprising of 100,000 equity shares of ₹ 10 each to ₹ 10,000,000 comprising of 1,000,000 equity shares of face value of ₹ 10 each pursuant to a resolution passed by our Shareholders on September 30, 2002.

2. The authorised share capital of our Company was increased from ₹ 10,000,000 comprising of 1,000,000 equity shares of ₹ 10 each to ₹ 42,500,000 comprising of 4,250,000 equity shares of face value of ₹ 10 pursuant to a resolution passed by our Shareholders on November 4, 2003.

3. The authorised share capital of our Company was increased from ₹ 42,500,000 comprising of 4,250,000 equity shares of face value of ₹ 10 each to ₹ 200,000,000 comprising of 20,000,000 equity shares of face value of ₹ 10 each pursuant to a resolution passed by our Shareholders on June 17, 2005.

4. The authorised share capital of our Company was increased from ₹ 200,000,000 comprising of 20,000,000 equity shares of face value of ₹ 10 each to ₹ 1,000,000,000 comprising of 100,000,000 equity shares of face value of ₹ 10 each pursuant to a resolution passed by our Shareholders on November 1, 2006.

5. The authorised share capital of our Company was increased from ₹ 1,000,000,000 comprising of 100,000,000 equity shares of face value of ₹ 10 each to ₹ 2,000,000,000 comprising of 200,000,000 equity shares of face value of ₹ 10 each pursuant to a resolution passed by our Shareholders on March 24, 2008.

6. The authorised share capital of our Company was increased from ₹ 2,000,000,000 comprising of 200,000,000 equity shares of face value of ₹ 10 each to ₹ 3,000,000,000 comprising of 300,000,000 equity shares of face value of ₹ 10 each pursuant to a resolution passed by our Shareholders on February 24, 2009.

7. The authorised share capital of our Company was increased from ₹ 3,000,000,000 comprising of 300,000,000 equity shares of face value of ₹ 10 each to ₹ 7,500,000,000 comprising of 750,000,000 equity shares of face value of ₹ 10 each pursuant to a resolution passed by our Shareholders on July 31, 2009.

Notes to the Capital Structure

1. **Equity Share Capital History of our Company**

(a) The history of the equity share capital of our Company is provided in the following table:

Date of allotment of the Equity Shares	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Nature/reason of allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Cumulative securities premium (₹)

Date of allotment of the Equity Shares	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Nature/reason of allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Cumulative securities premium (₹)
May 12, 2000	200	10	10	Subscription to the MoA[(1)]	Cash	200	2,000	Nil
June 12, 2000	99,800	10	10	Preferential allotment [(2)]	Cash	100,000	1,000,000	Nil
January 18, 2003	900,000	10	10	Preferential allotment [(3)]	Cash	1,000,000	10,000,000	Nil
September 14, 2004	3,170,500	10	N.A.	Pursuant to the Scheme of Amalgamation[(4)]	Other than Cash	4,170,500	41,705,000	Nil
January 10, 2006	10,829,500	10	10	Preferential allotment [(5)]	Cash	15,000,000	150,000,000	Nil
January 12, 2007	85,000,000	10	10	Preferential allotment[(6)]	Cash	100,000,000	1,000,000,000	Nil
August 29, 2008	100,000,000	10	10	Preferential allotment[(7)]	Cash	200,000,000	2,000,000,000	Nil
March 30, 2009	72,500,000	10	10	Preferential allotment[(8)]	Cash	272,500,000	2,725,000,000	Nil
September 19, 2009	24,800,000	10	10	Preferential allotment[(9)]	Cash	297,300,000	2,973,000,000	Nil
March 31, 2010	83,430,000	10	10	Preferential allotment[(10)]	Cash	380,730,000	3,807,300,000	Nil
July 26, 2010	2,050,000	10	10	Preferential allotment[(11)]	Cash	382, 780,000	3,827,800,000	Nil
January 20, 2011	30,000,000	10	10	Preferential allotment[(12)]	Cash	412,780,000	4,127,800,000	Nil
February 23, 2011	3,600,000	10	10	Preferential allotment[(13)]	Cash	416,380,000	4,163,800,000	Nil
March 31, 2011	89,470,000	10	10	Preferential allotment[(14)]	Cash	505,850,000	5,058,500,000	Nil
March 30, 2012	27,689,300	10	13	Preferential allotment[(15)]	Cash	533,539,300	5,335,393,000	83,067,900
June 23, 2012	1,925,300	10	13	Preferential allotment[(16)]	Cash	535,464,600	5,354,646,000	88,843,800
September 26, 2012	5,408,099	10	13	Preferential allotment[(17)]	Cash	540,872,699	5,408,726,990	105,068,097
January 21, 2013	1,586,946	10	14	Preferential allotment[(18)]	Cash	542,459,645	5,424,596,450	111,415,881
March 30, 2013	1,599,200	10	14	Preferential allotment[(19)]	Cash	544,058,845	5,440,588,450	117,812,681
September 30, 2013	1,495,100	10	17	Preferential allotment[(20)]	Cash	545,553,945	5,455,539,450	128,278,381
December 26, 2013	911,100	10	17	Preferential allotment[(21)]	Cash	546,465,045	5,464,650,450	134,656,081
March 28, 2014	287,835	10	18	Preferential allotment[(22)]	Cash	546,752,880	5,467,528,800	136,958,761
March 24, 2015	10,638,000	10	24	Preferential Allotment [(23)]	Cash	557,390,880	5,573,908,800	285,890,761
March 24, 2015	4,151,800	10	17	Allotment of Equity Shares under the ESOP Scheme 2013[(24)]	Cash	561,542,680	5,615,426,800	314,953,361

(1) *Subscription by two allottees of 100 Equity Shares each.*

(2) *Preferential allotment of 99,800 Equity Shares to two allottees.*

(3) *Preferential allotment of 900,000 Equity Shares to two allottees.*

(4) *Allotment of 3,170,500 Equity Shares pursuant to the Scheme of Amalgamation between our Company, Koop Consumer Services Private Limited, Amodini Real Estates Private Limited and Shoppers Delight Private Limited effective on September 14, 2004 to six allottees. For details, see "History and Certain Corporate Matters" on page 135.*

(5) *Preferential allotment of 10,829,500 Equity Shares to five allottees.*

(6) *Preferential allotment of 85,000,000Equity Shares to five allottees.*

(7) *Preferential allotment of 100,000,000 Equity Shares to three allottees.*

(8) *Preferential allotment of 72,500,000 Equity Shares to three allottees.*

(9) *Preferential allotment of 24,800,000 Equity Shares to four allottees.*

(10) *Preferential allotment of 83,430,000 Equity Shares to three allottees.*

(11) *Preferential allotment of 2,050,000 Equity Shares to one allottee.*

(12) *Preferential allotment of 30,000,000 Equity Shares to five allottees.*

(13) *Preferential allotment of 3,600,000 Equity Shares to two allottees.*
(14) *Preferential allotment of 89,470,000 Equity Shares to six allottees*
(15) *Preferential allotment of 27,689,300 Equity Shares to 48 allottees.*
(16) *Preferential allotment of 1,925,300 Equity Shares to 49 allottees.*
(17) *Preferential allotment of 5,408,099 Equity Shares to 49 allottees.*
(18) *Preferential allotment of 1,586,946 Equity Shares to 49 allottees.*
(19) *Preferential allotment of 1,599,200 Equity Shares to 49 allottees*
(20) *Preferential allotment of 1,495,100 Equity Shares to 49 allottees*
(21) *Preferential allotment of 911,100 Equity Shares to 49 allottees.*
(22) *Preferential allotment of 287,835 Equity Shares to 47 allottees.*
(23) *Preferential allotment of 10,638,000 Equity Shares to 185 allottees.*
(24) *An aggregate of 4,151,800 Equity Shares have been allotted by our Company under the ESOP Scheme 2013. The allotment was made to 1,565 employees.*

(b) *Issue of Equity Shares in the last two preceding years*

For details of issue of Equity Shares by our Company in the last two preceding years, see "- *Equity Share Capital History of our Company*" on page 69. Further, our Company has not issued any Equity Shares for consideration other than cash in the last two preceding years.

(c) *Issue of Equity Shares in the last one year below the Issue Price*

No Equity Shares have been issued by our Company during the last one year.

(d) *Issue of Equity Shares for consideration other than cash*

Except as set out below, we have not issued Equity Shares for consideration other than cash:

Date of Allotment	Name of the Allottees	Number of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Reason for allotment	Benefits accrued to our Company
September 14, 2004	Radhakishan S. Damani, Gopikishan S. Damani, Kirandevi G. Damani, Manmohan J. Damani, Hemchand J. Purohit and Ramankant Baheti	3,170,500	10	N.A.	Pursuant to the Scheme of Amalgamation. For details, see "*History and Certain Corporate Matters*" on page 135.	Business acquisition

2. **History of the Equity Share Capital held by our Promoters**

As on the date of this Draft Red Herring Prospectus, our Promoters hold 512,910,000 Equity Shares, constituting 91.34% of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoters' shareholding is set out below.

Build-up of our Promoters' shareholding in our Company

Set forth below is the build-up of the shareholding of our Promoters since incorporation of our Company:

Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue Price /Transfer Price per Equity Share (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
Radhakishan S. Damani							
May 12, 2000	Subscription to the Memorandum of Association	100	Cash	10	10	Negligible	[●]
June 12, 2000	Preferential allotment	49,900	Cash	10	10	Negligible	[●]
January 18,	Preferential	550,000	Cash	10	10	0.10	[●]

Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue Price /Transfer Price per Equity Share (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
2003	allotment						
September 14, 2004	Pursuant to the Scheme of Amalgamation. For details, see "*History and Certain Corporate Matters*" on 135	1,771,000	Other than cash	10	N.A.	0.32	[●]
November 18, 2004	Purchase by the Promoter	8,000	Cash	10	10.52	Negligible	[●]
January 10, 2006	Preferential allotment	5,121,000	Cash	10	10	0.91	[●]
January 12, 2007	Preferential allotment	42,500,000	Cash	10	10	7.57	[●]
August 29, 2008	Preferential allotment	79,900,000	Cash	10	10	14.23	[●]
March 30, 2009	Preferential allotment	50,000,000	Cash	10	10	8.90	[●]
September 19, 2009	Preferential allotment	10,500,000	Cash	10	10	1.87	[●]
March 31, 2010	Preferential allotment	59,000,000	Cash	10	10	10.51	[●]
March 31, 2011	Preferential allotment	25,600,000	Cash	10	10	4.56	[●]
March 30, 2012	Preferential allotment	14,000,000	Cash	10	13	2.49	[●]
September 26, 2012	Transfer by way of gift by the Promoter	(4,200,000)	Nil	10	-	(0.75)	[●]
June 28, 2013	Transfer by way of gift by the Promoter	(1,210,000)	Nil	10	-	(0.22)	[●]
August 1, 2013	Transfer by way of gift by the Promoter	(380,000)	Nil	10	-	(0.07)	[●]
March 28, 2014	Transfer by way of gift by the Promoter	(255,000)	Nil	10	-	(0.05)	[●]
September 8, 2014	Transfer by way of gift by the Promoter	(220,000)	Nil	10	-	(0.04)	[●]
November 20, 2014	Transfer by way of gift by the Promoter	(95,000)	Nil	10	-	(0.02)	[●]
March 10, 2015	Transfer by way of gift by the Promoter	(615,000)	Nil	10	-	(0.11)	[●]
March 31, 2015	Transfer by way of gift by the Promoter	(95,000)	Nil	10	-	(0.02)	[●]
September 15, 2016	Transfer by by way of gift by the Promoter	(36,000,000)	Nil	10	-	(6.41)	[●]
Sub-Total (A)		**245,930,000**				**43.80**	[●]
Gopikishan S. Damani							
May 12,	Subscription to the	100	Cash	10	10	Negligible	[●]

Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue Price /Transfer Price per Equity Share (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
2000	Memorandum of Association						
June 12, 2000	Preferential Allotment	49,900	Cash	10	10	Negligible	[●]
January 18, 2003	Preferential Allotment	350,000	Cash	10	10	0.06	[●]
September 14, 2004	Pursuant to the Scheme of Amalgamation. For details, see "*History and Certain Corporate Matters*" on page 135	1,226,500	Other than Cash	10	N.A.	0.22	[●]
January 10, 2006	Preferential Allotment	623,500	Cash	10	10	0.11	[●]
January 12, 2007	Preferential Allotment	12,750,000	Cash	10	10	2.27	[●]
March 30, 2009	Preferential Allotment	5,000,000	Cash	10	10	0.89	[●]
September 19, 2009	Preferential Allotment	5,000,000	Cash	10	10	0.89	
March 31, 2010	Preferential Allotment	13,000,000	Cash	10	10	2.32	[●]
March 31, 2011	Preferential Allotment	37,000,000	Cash	10	10	6.59	[●]
November 20, 2014	Transfer by way of gift by the Promoter	(20,000)	Nil	10	-	Negligible	[●]
September 15, 2016	Transfer by way of gift by the Promoter	(24,000,000)	Nil	10	-	(4.27)	[●]
Sub - Total (B)		**50,980,000**				**9.08**	[●]
Shrikantadevi R. Damani							
January 10, 2006	Preferential allotment	1,500,000	Cash	10	10	0.27	[●]
January 12, 2007	Preferential allotment	8,500,000	Cash	10	10	1.51	[●]
March 31, 2011	Preferential allotment	6,250,000	Cash	10	10	1.11	[●]
March 30, 2012	Preferential allotment	6,000,000	Cash	10	13	1.07	[●]
Sub - Total (C)		**22,250,000**				**3.96**	[●]
Kirandevi G. Damani							
September 14, 2004	Pursuant to the Scheme of Amalgamation. For details, see "*History and Certain Corporate Matters*" on page 135	165,000	Other than cash	10	N.A.	0.03	[●]
January 10, 2006	Preferential allotment	960,000	Cash	10	10	0.17	[●]
January 12,	Preferential	6,375,000	Cash	10	10	1.14	[●]

Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue Price /Transfer Price per Equity Share (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
2007	allotment						
August 29, 2008	Preferential allotment	2,600,000	Cash	10	10	0.46	[●]
March 31, 2011	Preferential allotment	4,900,000	Cash	10	10	0.87	[●]
Sub - Total (D)		**15,000,000**				**2.67**	[●]
Bright Star							
January 10, 2006	Preferential allotment	2,625,000	Cash	10	10	0.47	[●]
January 12, 2007	Preferential allotment	14,875,000	Cash	10	10	2.65	[●]
August 29, 2008	Preferential allotment	17,500,000	Cash	10	10	3.12	[●]
March 30, 2009	Preferential allotment	17,500,000	Cash	10	10	3.12	[●]
September 19, 2009	Preferential allotment	6,000,000	Cash	10	10	1.07	[●]
March 31, 2010	Preferential allotment	11,430,000	Cash	10	10	2.04	[●]
February 23, 2011	Preferential allotment	3,500,000	Cash	10	10	0.62	[●]
March 31, 2011	Preferential allotment	15,320,000	Cash	10	10	2.73	[●]
Sub - Total (E)		**88,750,000**				**15.80**	[●]
Royal Palm Trust(1)							
January 20, 2011	Preferential allotment	6,000,000	Cash	10	10	1.07	[●]
September 15, 2016	Receipt by way of gift	12,000,000	Nil	10	-	2.14	[●]
Sub - Total (F)		**18,000,000**				**3.21**	[●]
Bottle Palm Trust(2)							
January 20, 2011	Preferential allotment	6,000,000	Cash	10	10	1.07	[●]
September 15, 2016	Receipt by way of gift	12,000,000	Nil	10	-	2.14	[●]
Sub - Total (G)		**18,000,000**				**3.21**	[●]
Mountain Glory Trust(3)							
January 20, 2011	Preferential allotment	6,000,000	Cash	10	10	1.07	[●]
September 15, 2016	Receipt by way of gift	12,000,000	Nil	10	-	2.14	[●]
Sub - Total (H)		**18,000,000**				**3.21**	[●]
Gulmohar Trust(4)							
January 20, 2011	Preferential allotment	6,000,000	Cash	10	10	1.07	[●]
September 15, 2016	Receipt by way of gift	12,000,000	Nil	10	-	2.14	[●]
Sub - Total (I)		**18,000,000**				**3.21**	[●]
Karnikar Trust(5)							
January 20,	Preferential	6,000,000	Cash	10	10	1.07	[●]

Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue Price /Transfer Price per Equity Share (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
2011	allotment						
September 15, 2016	Receipt by way of gift	12,000,000	Nil	10	-	2.14	[●]
Sub - Total (J)		**18,000,000**				**3.21**	[●]
Total (A to J)		**512,910,000**				**91.34**	**[●]**

(1) *The Equity Shares are held by Radhakishan S. Damani jointly with Shrikantadevi R. Damani on behalf of Royal Palm Trust.*
(2) *The Equity Shares are held by Radhakishan S. Damani jointly with Shrikantadevi R. Damani on behalf of Bottle Palm Trust*
(3) *The Equity Shares are held by Radhakishan S. Damani jointly with Shrikantadevi R. Damani on behalf of Mountain Glory Trust.*
(4) *The Equity Shares are held by Gopikishan S. Damani jointly with Radhakishan S. Damani and on behalf of Gulmohar Trust.*
(5) *The Equity Shares are held by Gopikishan S. Damani jointly with Radhakishan S. Damani on behalf of Karnikar Trust.*

All the Equity Shares held by the Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares.
As of the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

3. **Details of Promoter's contribution and lock-in:**

Pursuant to the SEBI Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters shall be locked-in for a period of three years from the date of Allotment and our Promoters' shareholding in excess of 20% shall be locked-in for a period of one year from the date of Allotment.

The details of the Equity Shares held by our Promoters, which shall be locked-in for a period of three years from the date of Allotment, are set out in the following table:

Name of Promoter	Date of allotment/ transfer	Nature of Transaction	Consideration	No. of Equity Shares	Face Value (₹)	Issue/acquisition price per Equity Share (₹)	No. of Equity Shares locked-in(1)(2)	Percentage of post-Issue paid-up Equity Share capital (%)
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total							[●]	20.00

(1) *For a period of three years from the date of Allotment*
(2) *All Equity Shares were fully paid-up at the time of allotment*

The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'Promoter' under the SEBI Regulations. Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of the SEBI Regulations. Our Promoters have confirmed to our Company and the Lead Managers that the Equity Shares held by our Promoters which shall be locked-in for a period of three years as Promoters' contribution have been financed from their internal accruals and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
In this connection, we confirm the following:

(i) The Equity Shares offered for Promoters' contribution have not been acquired in the last three years (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets; or (b) have resulted from bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or resulted from bonus issue against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;

(ii) The Promoters' contribution does not include any Equity Shares acquired during the preceding one year and at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

(iii) Our Company has not been formed by the conversion of a partnership firm into a Company;

(iv) The Equity Shares held by the Promoters and offered for Promoters' contribution are not subject to any pledge; and

(v) All the Equity Shares of our Company held by the Promoters are held in dematerialised form.

Other requirements in respect of lock-in:

In addition to 20% of the fully diluted post-Issue shareholding of our Company held by our Promoters and locked-in for three years as specified above, except for the Equity Shares allotted to the employees of our Company and ARTPL and AFPPL, who are employees as on date of Allotment, under the ESOP Scheme 2013, the entire pre-Issue Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment.

The Equity Shares held by our Promoters which are locked-in for three years may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions for the purpose of financing one or more objects of the Issue, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

The Equity Shares held by our Promoters which are locked-in for one year may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

The Equity Shares held by our Promoters which are locked-in may be transferred to and amongst the Promoters Group entities or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment in the Issue may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.

The lock-in would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock Exchanges before the listing of the Equity Shares.

Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors

Any Equity Shares allotted to Anchor Investors shall be locked-in for a period of 30 days from the date of Allotment.

4. **Shareholding of our Promoters, Directors of Promoters and Promoter Group**

Our Promoters hold 512,910,000 Equity Shares in our Company which is equivalent to 91.34% of the total Equity Share capital of our Company. Further, the directors of our corporate Promoter, Bright Star are Radhakishan S. Damani, Gopikishan S. Damani and Shrikantadevi R. Damani, who are among the Promoters of our Company.

Our Promoter Group holds 110,000 Equity Shares in our Company which is equivalent to 0.02% of the total Equity Share capital of our Company.

5. **Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of filing of this Draft Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of (A+B+ C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Share s held (b)	
								Class eg: Equity Shares	Class eg: Others	Total								
(A)	Promoter & Promoter Group	12	513,020,000	-	-	513,020,000	91.36	513,020,000	-	-	91.36	-	91.36		-		-	512,910,000
(B)	Public	2,122	48,522,680	-	-	48,522,680	8.64	48,522,680	-	-	8.64	-	8.64		-		-	-
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
	Total	**2,134**	**561,542,680**	**-**	**-**	**561,542,680**	**100**	**561,542,680**	**-**	**-**	**100**	**-**	**100**		**-**		**-**	**512,910,000**

6. The list of top 10 Shareholders and the number of Equity Shares held by them are set forth below:

- The top 10 Shareholders as of the date of filing of this Draft Red Herring Prospectus are as follows:

	Name of the Shareholder	Pre-Issue	
		No. of Equity Shares	Percentage (%)
1.	Radhakishan S. Damani	245,930,000	43.80
2.	Bright Star	88,750,000	15.80
3.	Gopikishan S. Damani	50,980,000	9.08
4.	Shrikantadevi R. Damani	22,250,000	3.96
5.	Royal Palm Trust(1)	18,000,000	3.21
5.	Bottle Palm Trust(2)	18,000,000	3.21
5.	Mountain Glory Trust(3)	18,000,000	3.21
5.	Gulmohar Trust(4)	18,000,000	3.21
5.	Karnikar Trust(5)	18,000,000	3.21
10.	Kirandevi G. Damani	15,000,000	2.67
	Total	**512,910,000**	**91.34**

(1) *The Equity Shares are held by Radhakishan S. Damani jointly with Shrikantadevi R. Damani on behalf of Royal Palm Trust.*
(2) *The Equity Shares are held by Radhakishan S. Damani jointly with Shrikantadevi R. Damani on behalf of Bottle Palm Trust*
(3) *The Equity Shares are held by Radhakishan S. Damani jointly with Shrikantadevi R. Damani on behalf of Mountain Glory Trust.*
(4) *The Equity Shares are held by Gopikishan S. Damani jointly with Radhakishan S. Damani and on behalf of Gulmohar Trust.*
(5) *The Equity Shares are held by Gopikishan S. Damani jointly with Radhakishan S. Damani on behalf of Karnikar Trust.*

- The top 10 Shareholders as of 10 days prior to the date of filing of this Draft Red Herring Prospectus are as follows:

	Name of the Shareholder	Pre-Issue	
		No. of Equity Shares	Percentage (%)
1.	Radhakishan S. Damani	245,930,000	43.80
2.	Bright Star	88,750,000	15.80
3.	Gopikishan S. Damani	50,980,000	9.08
4.	Shrikantadevi R. Damani	22,250,000	3.96
5.	Royal Palm Trust(1)	18,000,000	3.21
5.	Bottle Palm Trust(2)	18,000,000	3.21
5.	Mountain Glory Trust(3)	18,000,000	3.21
5.	Gulmohar Trust(4)	18,000,000	3.21
5.	Karnikar Trust(5)	18,000,000	3.21
10.	Kirandevi G. Damani	15,000,000	2.67
	Total	**512,910,000**	**91.34**

(1) *The Equity Shares are held by Radhakishan S. Damani jointly with Shrikantadevi R. Damani on behalf of Royal Palm Trust.*
(2) *The Equity Shares are held by Radhakishan S. Damani jointly with Shrikantadevi R. Damani on behalf of Bottle Palm Trust*
(3) *The Equity Shares are held by Radhakishan S. Damani jointly with Shrikantadevi R. Damani on behalf of Mountain Glory Trust.*
(4) *The Equity Shares are held by Gopikishan S. Damani jointly with Radhakishan S. Damani and on behalf of Gulmohar Trust.*
(5) *The Equity Shares are held by Gopikishan S. Damani jointly with Radhakishan S. Damani on behalf of Karnikar Trust.*

- The top 10 Shareholders as of two years prior to the date of filing of this Draft Red Herring Prospectus are as follows:

	Name of the Shareholder	Pre-Issue	
		No. of Equity Shares	Percentage (%)
1.	Radhakishan S. Damani	282,735,000	51.71
2.	Bright Star	88,750,000	16.23
3.	Gopikishan S. Damani	75,000,000	13.72
4.	Shrikantadevi R. Damani	22,250,000	4.07
5.	Kirandevi G. Damani	15,000,000	2.74
6.	Ignatius Navil Noronha	8,725,000	1.60
7.	Royal Palm Trust(1)	6,000,000	1.10
7.	Bottle Palm Trust(2)	6,000,000	1.10
7.	Mountain Glory Trust(3)	6,000,000	1.10
7.	Gulmohar Trust(4)	6,000,000	1.10

	Name of the Shareholder	Pre-Issue	
		No. of Equity Shares	Percentage (%)
7.	Karnikar Trust[5]	6,000,000	1.10
	Total	**522,460,000**	**95.57**

(1) *The Equity Shares are held by Radhakishan S. Damani jointly with Shrikantadevi R. Damani on behalf of Royal Palm Trust.*

(2) *The Equity Shares are held by Radhakishan S. Damani jointly with Shrikantadevi R. Damani on behalf of Bottle Palm Trust*

(3) *The Equity Shares are held by Radhakishan S. Damani jointly with Shrikantadevi R. Damani on behalf of Mountain Glory Trust.*

(4) *The Equity Shares are held by Gopikishan S. Damani jointly with Radhakishan S. Damani and on behalf of Gulmohar Trust.*

(5) *The Equity Shares are held by Gopikishan S. Damani jointly with Radhakishan S. Damani on behalf of Karnikar Trust.*

7. **ESOP Scheme 2013**

Pursuant to the resolution passed by our Board on November 26, 2013 and by our Shareholders on December 20, 2013, our Company had instituted the ESOP Scheme 2013 for issue of options to eligible employees which may have resulted in issue of up to 5,000,000 Equity Shares. The eligible employees included employees as defined in ESOP Scheme 2013 of our Company and ARTPL and AFPPL, subsidiaries of our Company as on the date of the ESOP Scheme 2013. In terms of the ESOP Scheme 2013, grants were to be made by the ESOP Committee based on determination of eligibility criteria prescribed under the ESOP Scheme 2013 and vesting period was to be indicated in the grant letter with minimum period of one year between the grant and vesting of options. The exercise period for the options granted under the ESOP Scheme 2013 commenced from the date of vesting of options and expired at the end of three months from the date of vesting of options or such other period as determined by the ESOP Committee. As on date, 4,276,800 options have been issued under the ESOP Scheme 2013, of which exercised options have resulted in the allotment of 4,151,800 Equity Shares. Pursuant to the resolution passed by our Board on September 24, 2016, our Company has temrinated the ESOP Scheme 2013.

The following table sets forth the particulars of the options granted under the ESOP Scheme 2013 as on the date of this Draft Red Herring Prospectus:

Options granted	4,276,800
The pricing formula	Fair market value as determined by the independent valuer
Exercise price of options	₹17
Options vested (excluding options that have been exercised)	Nil
Options exercised	4,151,800
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of cancelled options)	4,151,800
Options forfeited/lapsed/cancelled	125,000
Variation in terms of options	None
Money realised by exercise of options	₹70,580,600
Total number of options in force	Nil
Employee wise details of options granted to	
(i) Senior managerial personnel, i.e. Directors and key management personnel	Nil
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options	Nil

<table>
<tr><td>granted during the year</td><td></td></tr>
<tr><td>(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant</td><td>Nil</td></tr>
<tr><td>Fully diluted EPS on a pre-Issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 ‘Earning Per Share’</td><td>
<table>
<tr><th rowspan="2">Particulars</th><th colspan="3">For the year ended</th></tr>
<tr><th>March 31, 2016</th><th>March 31, 2015</th><th>March 31, 2014</th></tr>
<tr><td>Basic Earnings / (Loss) per Share (₹)</td><td>5.72</td><td>3.87</td><td>2.96</td></tr>
<tr><td>Diluted Earnings / (Loss) per Share (₹)</td><td>5.72</td><td>3.87</td><td>2.95</td></tr>
</table>
</td></tr>
<tr><td>Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company</td><td>Fiscal 2014 - ₹0.55 million

Fiscal 2015 - ₹1.48 million</td></tr>
<tr><td>Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock</td><td>Weighted-average exercise price : ₹ 17.00

Weighted-average fair values of options : ₹ 17.48</td></tr>
<tr><td>Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option</td><td>
<table>
<tr><td>Model Used</td><td>The Black - Scholes Formula</td></tr>
<tr><td>Weighted average risk free interest rate</td><td>8.36%</td></tr>
<tr><td>Weighted average expected Options life</td><td>1.25 years</td></tr>
<tr><td>Weighted average expected volatility</td><td>50.49%</td></tr>
<tr><td>Weighted average expected dividends per
share of face value of ₹ 10</td><td>No dividend has been declared by our Company</td></tr>
<tr><td>Stock Price as on December 24, 2013</td><td>17.48</td></tr>
</table>
</td></tr>
<tr><td>Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in Regulation 15 of the SEBI ESOP Regulations in respect of options granted in the last three years</td><td>
(₹million except per share data)
<table>
<tr><th></th><th>As at March 31, 2016</th><th>As at March 31, 2015</th><th>As at March 31, 2014</th></tr>
<tr><td>Net Profit after Tax as per restated</td><td>3,212.07</td><td>2,116.89</td><td>1,613.72</td></tr>
<tr><td>Less:- Stock based employee compensation expenses</td><td>-</td><td>13.25</td><td>4.93</td></tr>
<tr><td>Adjusted Pro-forma</td><td>3,212.07</td><td>2,103.64</td><td>1,608.79</td></tr>
<tr><td>Basic Earning per share (in ₹)</td><td>5.72</td><td>3.87</td><td>2.96</td></tr>
<tr><td>Pro-forma basic earning per</td><td>N.A.</td><td>3.85</td><td>2.95</td></tr>
</table>
</td></tr>
</table>

share *(in ₹)*			
Diluted earning per share as reported *(in ₹)*	5.72	3.87	2.95
Pro-forma diluted earning per share *(in ₹)*	N.A.	3.85	2.95

Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Issue	Employees holding Equity Shares at the time of listing of the Equity Shares pursuant to the Issue, may sell the Equity Shares issued in connection with the exercise of options granted under the ESOP Scheme, 2013 within a period of three months from the date of listing of the Equity Shares.
Intention to sell Equity Shares arising out of ESOP Scheme 2013 within three months after the listing of Equity Shares, by Directors, senior management personnel and employees having Equity Shares arising out of the ESOP Scheme 2013, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Not Applicable

8. **ESOP Scheme 2016**

Pursuant to the resolutions passed by our Board on July 23, 2016 and our Shareholders on September 16, 2016, our Company approved the ESOP Scheme 2016 for issue of options to eligible employees which may result in issue of Equity Shares of not more than 14,000,000 Equity Shares. The objective of the ESOP Scheme, 2016 is to reward and motivate our employees and enable them to participate in the long term financial growth of our Company. The salient features of the ESOP Scheme, 2016 are set out below:

Eligible Employees: The eligible employee includes (i) a permanent employee of our Company, ARTPL, AFPPL and NSJDPL (the "**Participating Companies**"), whether working in, or outside, India; or (ii) a director of the Participating Companies, whether whole-time director or not. However, (a) an employee of the Participating Companies who is a Promoter or belongs to the Promoter Group, (b) a director of the Participating Companies who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Equity Shares of our Company; and (c) independent directors of the Participating Companies in terms of the Companies Act, are excluded from the eligible employees for the purposes of the ESOP Scheme, 2016 (collectively referred to as the "**Eligible Employees**").

Grant of Options and Exercise Price: The options to be granted under the ESOP Scheme, 2016 will be of the following three categories: (i) options where exercise period will commence upon expiry of nine years from the date of grant of options ("**Class A Options**"); (ii) options where exercise period will commence upon expiry of six years from the date of grant of options ("**Class B Options**"); and (iii) options where exercise period will commence upon expiry of two and half years from the date of grant of options ("**Class C Options**").

Based on eligibility criteria such as present grade, number of years spent with the Participating Companies and meeting certain performance parameters by the Eligible Employees, the ESOP Committee will determine the number of Options and class of Options as indicated above, to be granted to the Eligible Employees in one or more tranches.

In terms of the ESOP Scheme, 2016, the ESOP Committee may grant options only upon and immediately after determination of the Issue Price in the Issue. The exercise price for options granted shall be the Issue Price. Our Company shall not grant any Options pursuant to the ESOP Scheme 2016 after listing of the Equity Shares unless approval of Shareholders is obtained as required under applicable law.

Vesting of Options: In terms of the ESOP Scheme, 2016, the applicable vesting period shall be provided in the grant letter issued to such option grantee as decided by the ESOP Committee. However, there shall be a minimum period one year between the date of the grant and vesting. The vesting of options is not automatic and is subject to fulfilment of performance parameters and other conditions as may be determined by the ESOP Committee and as set out in the grant letter. Upon approval of vesting by the ESOP Committee, a separate vesting letter shall be issued to each eligible employee indicating the commencement of period of vesting and other terms as considered necessary by the ESOP Committee.

In the event of the death of an option grantee while in employment of the Participating Companies, all the options granted to such option grantee shall vest in its nominee(s)/ legal heir(s)/ successor(s) immediately on the date of death and may be exercised by them during the exercise period, failing which all the unexercised options shall lapse. Unvested options shall vest immediately but shall be exercisable only during the exercise period as per the ESOP Scheme, 2016. If an option grantee fails to remain in active and permanent service of Participating Companies, due to permanent incapacity, all options granted to such option grantee as on the date of permanent incapacitation shall in any event vest on that day. The options would be exercisable only during the exercise period as per the ESOP Scheme, 2016.

In the event of cessation of employment due to superannuation/ retirement, the option grantee will continue to hold all vested options and can exercise them anytime within the exercise period in accordance with the ESOP Scheme, 2016. Unvested options shall vest in such option grantee as on the date of superannuation or retirement, provided that the holding of vested options and vesting of unvested options will be permissible only if the option grantee does not carry on or engages in, directly or indirectly, any business which competes directly or indirectly with the whole or part of the business of the Participating Companies or any activity related to the business of the Participating Companies. Upon an option grantee discontinuing to be in permanent employment of the Participating Companies due to: (a) resignation of the option grantee, or (b) termination of services of the employee with cause, by the Participating Companies, any unvested options shall stand cancelled and the vested options will be required to be exercised within the exercise period as provided under the ESOP Scheme, 2016.

Exercise Period: The exercise period would commence from the date of vesting of options and will expire at the end of three months from the date the options are vested or such other period as may be determined by the ESOP Committee.

Termination: The ESOP Scheme, 2016 shall stand automatically terminated (a) if the Issue is not completed by September 16, 2019; or (ii) if the last of the options granted under the ESOP Scheme, 2016 have been exercised in accordance with the ESOP Scheme, 2016 and the Equity Shares underlying the options have been allotted to the employees, whichever is earlier. The ESOP Scheme, 2016 may be terminated by the Board on the recommendation of the ESOP Committee at any time at its discretion.

As of the date of this Draft Red Herring Prospectus, no options have been granted under the ESOP Scheme, 2016.

9. Except as stated in "*Our Management*" on page 142 and 150, none of our Directors or Key Management Personnel holds any Equity Shares in our Company.

10. As on the date of this Draft Red Herring Prospectus, the Lead Managers and their respective associates (in accordance with the definition of "associate company" as provided under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company.

11. As on the date of this Draft Red Herring Prospectus, our Company has allotted 3,170,500 Equity Shares pursuant to the Scheme of Amalgamation approved under Sections 391 to 394 of the Companies Act, 1956. For further details, see "- *Equity Share Capital History*" of our Company on page 69 and "*History and Certain Corporate Matters*" on page 135.

12. None of the members of the Promoter Group, the Promoters, the directors of the Promoters or our Directors and their immediate relatives have purchased or sold any Equity Shares of our Company or the equity shares of any of our Subsidiaries, during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI.

13. As of the date of the filing of this Draft Red Herring Prospectus, the total number of Shareholders is 2,134.

14. Neither our Company nor any of our Directors have entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person. Further, the Lead Managers have not made any buy-back and/or standby arrangements for purchase of Equity Shares from any person.

15. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Draft Red Herring Prospectus which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue.

16. Our Company has not issued any Equity Shares out of revaluation reserves or unrealised profits.

17. All Equity Shares Allotted pursuant to the Issue will be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

18. Any over-subscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.

19. Our Promoters, Promoter Group, Subsidiaries, Associate Company and Group Companies will not participate in the Issue.

20. There have been no financial arrangements whereby our Promoter Group, the directors of our Promoters, our Directors and their relatives have financed the purchase by any other person of securities of our Company, during a period of six months preceding the date of this Draft Red Herring Prospectus, other than in the normal course of business of the financing entity.

21. No person connected with the Issue, including, but not limited to, the Lead Managers, the members of the Syndicate, our Company, Directors, Promoters, members of our Promoter Group and Group Companies, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

22. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise.

23. Except for the Issue, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

24. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

25. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

26. In terms of Rule 19(2)(b)(iii) of the SCRR, this is an Issue for at least 10% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made in accordance with Regulation 26(1) of the SEBI Regulations through the Book Building Process wherein 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company may allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price, in accordance with the SEBI Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price.

27. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company, in consultation with the Lead Managers and the Designated Stock Exchange.

28. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group during the period between the date of registering the Red Herring Prospectus with the RoC and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of the transactions.

OBJECTS OF THE ISSUE

Net Proceeds

The details of the Net Proceeds are set forth below:

Particulars	Amount (in ₹ million)*
Gross Proceeds of the Issue	18,700.00
(Less) Issue related expenses*	[●]
Net Proceeds	**[●]**

To be determined upon finalisation of the Issue Price.

Utilisation of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details as set forth below:

Particulars	Amount (In ₹ million)
Repayment or prepayment of a portion of loans and redemption or earlier redemption of NCDs availed by our Company	10,800.00
Construction and purchase of fit outs for new stores	3,666.00
General corporate purposes*	[●]

* *To be determined upon finalisation of the Issue Price.*

The main objects clause of our Memorandum of Association enables our Company (i) to undertake our existing business activities; (ii) to undertake activities for which funds are being raised by us through the Issue; and (iii) activities undertaken for which loans were raised and which are proposed to be repaid or prepaid from the Net Proceeds.

The fund requirements mentioned above are based on the internal management estimates of our Company and have not been verified by the Lead Managers or appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking debt financing.

Schedule of Implementation and Deployment of Net Proceeds

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

(In ₹ million)

Particulars	Total estimated costs	Amount to be funded from the Net Proceeds	Estimated Utilisation of Net Proceeds		
			Fiscal 2018	Fiscal 2019	Fiscal 2020
Repayment or prepayment of a portion of loans and redemption or earlier redemption of NCDs availed by our Company	10,800.00	10,800.00	6,250.00	3,200.00	1,350.00
Construction and purchase of fit outs for new stores	3,666.00	3,666.00	799.74	1,433.13	1,433.13
General corporate purposes*	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]

To be determined upon finalisation of the Issue Price.

With respect to object of repayment or prepayment of a portion of loans and redemption or earlier redemption of NCDs availed by our Company, in the event that our Company obtains consent from the relevant lenders for prepayment of any of its loans on the terms agreeable to our Company or decides to undertake earlier redemption of the outstanding NCDs prior to the term indicated in the terms of isssue of NCDs, the deployment of Net Proceeds as set out above for Fiscals 2018, 2019 and 2020 shall stand suitably adjusted and modified to the extent of the prepayment of loans or earlier redemption of the outstanding NCDs undertaken by our Company in the respective Fiscal.

Means of Finance

The entire requirement of funds towards objects of the Issue will be met from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Details of the Objects of the Issue

1. Repayment or prepayment of a portion of loans and redemption or earlier redemption of NCDs availed by our Company

Our Company has entered into various financing arrangements with banks, financial institutions and other entities. The borrowing arrangements entered into by our Company include borrowings in the form of terms loans, borrowings through issue of NCDs, issue of commercial papers and fund based and non-fund based working capital facilities. For details of these financing arrangements including indicative terms and conditions, see "*Financial Indebtedness*" beginning on page 183. As on August 31, 2016, the amount outstanding under the borrowing arrangements entered into by our Company was ₹15,004.91 million on a standalone basis.

Our Company intends to utilize ₹ 10,800.00 million of the Net Proceeds towards repayment or prepayment of term loans availed by our Company and redemption or earlier redemption of NCDs availed by our Company. We believe that such repayment or prepayment or redemption or earlier redemption will help reduce our outstanding indebtedness and debt servicing costs and enable utilization of the internal accruals for further investment in business growth and expansion. In addition, we believe that this would improve our ability to raise further resources in the future to fund potential business development opportunities.

The selection of borrowings proposed to be prepaid or repaid or redemption or earlier redemption amongst our borrowing arrangements availed will be based on various factors, including (i) cost of the borrowing to our Company including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) receipt of consents for prepayment from the respective lenders, (iv) terms and conditions of such consents and waivers, (v) levy of any prepayment penalties and the quantum thereof, (vi) provisions of any laws, rules and regulations governing such borrowings, and (vii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan. For details, see "*Risk Factors – Some of our loan agreements contain restrictive covenants. Inability to effectively service our borrowings, comply with or obtain waivers of applicable loan covenants, as the case may be, may adversely affect our business, results of operations and financial conditions.*" from page 24 to 25.

Some of our loan agreements provide for levy of prepayment penalties or premiums at the rate determined by the lenders. Further, prepayment in majority of our loan agreements requires prior approval of the relevant lenders. Our Company has not approached any of its lenders for prepayment of the loan at this stage and accordingly, our Company is yet to receive consent from lenders for prepayment or confirmation from lenders on prepayment penalties or premiums that will be payable by our Company in the event that our Company proposes to prepay any portion of the borrowing from the Net Proceeds. During the next three Fiscals, our Company will take prepayment penalties or premiums, applicable interest rates and other factors as set out above into consideration and decide the loans to be prepaid from the Net Proceeds and obtain necessary approvals from the relevant lenders at that stage. The payment of such prepayment penalty or premium, if any, shall be made out of Net Proceeds. In the event that Net Proceeds are insufficient for the said payment of prepayment penalty or premiums, such payment shall be made from the internal accruals of our Company. For further details, see "*Risk Factors -The objects of the Issue have not been appraised by any bank or financial institution and we have not entered into definitive agreements in relation to all of our objects of the Issue. If there are delays or cost overruns in utilisation of Net Proceeds, our business, financial condition and results of operations may be adversely affected*" on page 22.

Further, terms of issue of certain of our NCDs allow earlier redemption of NCDs. Our Company may decide to undertake earlier redemption of NCDs depending on various factors including cost of the borrowing to our Company including applicable interest rates and premium that may be payable in case of earlier redemption. The payment of such penalty or premium, if any, shall be made out of Net Proceeds. In the event that Net Proceeds are insufficient for the said payment of prepayment penalty or premiums, such payment shall be made from the internal accruals of our Company.

We have set out below the details of certain loans and NCDs availed by our Company, out of which any or all of the loans may be repaid or prepaid and NCDs may be redeemed or redeemed earlier from the Net Proceeds whether fully or in part during Fiscals 2018, 2019 and 2020 without any obligation to any particular bank or other institution except a portion of the loan of ₹ 2,000.00 million obtained from HSBC as set out below.

The loans and NCDs have been obtained for various purposes including capital expenditure, refinancing of existing debt and to finance cost of acquisition and construction of land and building for stores and other business purposes. The loans and NCDs set out below have been utilized by our Company in accordance with the purpose set out in the respective borrowing arrangements as certified by Jhawar Mantri & Associates, Chartered Accountants by way of certificate dated September 28, 2016.

Term Loan mandatorily repayable from Net Proceeds:

Our Company has obtained a loan amounting to ₹ 2,000.00 million from HSBC. In relation to the aforesaid loan arrangement, by way of letter dated June 23, 2016, our Company has undertaken to HSBC that minimum of 50% of outstanding aforesaid loan would be repaid from the proceeds of the Issue in case the Issue materializes during the tenure of the arrangement. Our Company proposes to prepay or repay up to ₹ 2,000.00 million towards this loan arrangement from the Net Proceeds. The details of this loan of our Company outstanding as on August 31, 2016 are set out below:

Name of the lender	Amount outstanding as on August 31, 2016 (in ₹ million)	Interest Rate (% per annum)	Repayment Schedule	Prepayment Penalty/ Conditions
HSBC	2,000.00	8.65	Loan shall be repaid in equal 16 quarterly installments commencing starting after one year from the first disbursement.	Any prepayment will be subject to funding penalties as decided by HSBC.

Loans by way of issue of non-convertible debentures:

- As on August 31, 2016, the amounts outstanding from the loans by way of issue of NCDs by our Company were ₹ 8,000.00 million. Our Company proposes to redeem or undertake earlier redemption of up to ₹ 6,000.00 million towards its loans by way of issue of NCDs. The details of loans by way of issue of NCDs of our Company outstanding as on August 31, 2016 are set out below:

Sr. No.	Name of the lender	Amount outstanding as on August 31, 2016 (in ₹ million)	Coupon Rate (% per annum)	Redemption Schedule	Early Redemption Conditions
1.	HDFC Bank Limited	1,000.00	9.40.	NCDs will be redeemed in the following manner from the deemed date of allotment (being August 20, 2015): a) ₹ 330.00 million each at the end of third year and fourth year ; and b) ₹ 340.00 million at the end of the fifth year.	-
		1,000.00	9.10	NCDs will be redeemed in the following manner from the deemed date of allotment (being January 29, 2016): a) ₹ 340.00 million at the end of second year; b) ₹ 330.00 million each at the end of third year and fourth year	-
		500.00	9.10	NCDs will be redeemed in the following manner from the deemed date of allotment (being March 15, 2016): a) ₹ 170.00 million each at the end of second and third year; and b) ₹ 160.00 million at the end of the fourth year.	-
		1,500.00	8.25	NCDs will be redeemed in three equal installment of ₹ 500.00 million each at the end of the end of third, fourth and fifth year from the deemed date of allotment	Our Company has the option of redeeming the outstanding NCDs in full in the event our Company raises funds through an intial public offering of its equity shares

Sr. No.	Name of the lender	Amount outstanding as on August 31, 2016 (in ₹ million)	Coupon Rate (% per annum)	Redemption Schedule	Early Redemption Conditions
				(being August 31, 2016)	
2.	ICICI Prudential Corporate Bond Fund	1,100.00	10.00	NCDs will be redeemed in the following manner from the deemed date of allotment (being November 20, 2014): a) ₹ 350.00 million each at the end of 41 months; b) ₹ 350.00 million each at the end of 51 months; and c) ₹ 400.00 million at the end of 60 months.	-
		1,000.00	9.25	NCDs will be redeemed on three years bullet from the deemed date of allotment (being December 18, 2015)	-
		1,000.00	8.85	NCDs will be redeemed on three years bullet from the deemed date of allotment (being June 8, 2016)	Our Company has the option of redeeming the outstanding NCDs in full upon infusion of fresh equity (including premium) into our Company
3.	SBI Life Insurance Company	900.00	10.38	NCDs will be redeemed at par five years from the deemed date of allotment (being August 19, 2014)	-

**Our Company has also executed certain other documents such debenture trustee agreements in connection with the NCDs set out in this table.*

Other Term Loans:

As on August 31, 2016, the amounts outstanding under other term loans (excluding term loan from HSBC as indicated above) entered into by our Company were ₹4,432.69 million. Our Company proposes to repay up to ₹ 2,800.00 million towards other term loan arrangements as applicable during the period of deployment of Net Proceeds. The details of the other term loan arrangements of our Company as on August 31, 2016 are set out below:

Sr. No.	Name of the lender	Amount outstanding as on August 31, 2016 (in ₹ million)	Interest Rate (% per annum)	Repayment Schedule	Prepayment Penalty/ Conditions
1.	Kotak Mahindra Bank Limited (the "Bank")**	287.50	11.25	Loan shall be repaid in 60 monthly installments of ₹ 12.50 million each commencing after one month from the moratorium period. Moratorium period is one year from the date of first disbursement	Our Company has the option to prepay the outstanding principal amounts of the loan with prior written approval of the Bank and such prepayment charges shall be as mutually agreed between our Company and the Bank
		274.55	10.75	Loan shall be repaid in 60 monthly installments after the moratorium period in the following manner: a) 13^{th} to 71^{st} month from the date of first disbursement - monthly installments of ₹ 16.70 million. b) 72^{nd} month - ₹ 14.70 million. Moratorium Period is one year from the date of first disbursement	Our Company has the option to prepay the outstanding principal amounts of the loan with prior written approval of the Bank and such prepayment charges shall be as mutually agreed between our Company and the Bank
		274.55	11.35		

Sr. No.	Name of the lender	Amount outstanding as on August 31, 2016 (in ₹ million)	Interest Rate (% per annum)	Repayment Schedule	Prepayment Penalty/ Conditions
		1,150.00	10.60	Loan shall be repaid in equal installments (excluding interest) over 60 months commencing after completion of moratorium period. Moratorium period is one year from the date of first disbursement.	Our Company has the option to prepay the outstanding principal amounts of the loan with prior written approval of the Bank and such prepayment charges as mutually agreed between our Company and the Bank.
		131.25	10.80	Loan shall be repaid in 16 equal quarterly installments commencing from the quarter immediately ending after the moratorium period. Moratorium period is two years.	Our Company has the option to prepay the outstanding principal amounts of the loan with prior approval of the Bank and such prepayment charges as shall be mutually agreed between our Company and the Bank. Further, the Company has to provide atleast seven day's notice seeking approval for prepayment.
2.	HDFC Bank Limited (the "Bank") **	8.12	11.35	Loan shall be repaid in three years in equated monthly installments commencing after the moratorium period. Moratorium period is two years.	Our Company has the option to prepay the outstanding principal amounts of the loan in full or in part before the due date with the approval of the Bank, subject to such terms and conditions as stipulated by the Bank while granting such approval including payment of prepayment premium.
		61.74	11.30	Loan shall be repaid in four years and six months in equated monthly installments commencing after the moratorium period. Moratorium period is one year and six months.	Our Company has the option to prepay the outstanding principal amounts of the loan in full or in part before the due date with the approval of the Bank, subject to such terms and conditions as stipulated by the Bank while granting such approval including payment of prepayment premium.
		74.38	11.50		
		2.81	11.50		
		45.09	11.50		
		49.60	11.50		
		164.44	11.35		
		336.50	11.00	Loan shall be repaid in five years in equated monthly installments commencing after the moratorium period. Moratorium period is two years from the date of the first drawdown	Our Company has the option to prepay the outstanding principal amounts of the loan in full or in part before the due date with the approval of the Bank, subject to such terms and conditions as stipulated by the Bank while granting such approval including payment of prepayment premium.
		210.39	11.10		
		126.24	11.10		
		294.13	10.75		
		251.95	10.60		
		251.95	10.60		
3.	Hongkong and Shanghai Banking Corporation Limited (the "Bank")	400.00	9.70	Loan shall be repaid in quarterly installments starting at the end of six months from the first disbursement.	Any prepayment will be subject to funding penalties as decided by the Bank.

**Our Company has also executed security documents including hypothecation agreements, mortgage deeds, personal guarantees and undertakings as per the sanction letters and loan agreements for the purposes of securing loans. Further, while various sanction letters and agreements have been executed from time to time for renewal and/or revision of the limits, terms and conditions of the term loans set out above, this table includes the latest sanction letter and the loan agreement governing the terms and conditions of the loans.*

*** Kotak, GCBRLM in the Issue, is related to Kotak Mahindra Bank Limited. Further, HDFC, the lender to our Company, is also one of the BRLMs in the Issue. However, on account of this relationship, neither Kotak nor HDFC qualifies as an associate of our Company in terms of Regulation 21(A)(1) of the of the SEBI (Merchant Bankers) Regulations, 1992 read with Regulation 5(3) of the SEBI Regulations.*

Given the nature of these borrowings and the terms of repayment and prepayment or redemption and earlier redemption, the aggregate outstanding loan amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are prepaid or further drawndown prior to the completion of the Issue, we may utilize Net Proceeds towards repayment or prepayment of such additional indebtedness.

2. Construction and purchase of fit outs for new stores

As of September 15, 2016, we had 112 stores located across 41 cities in Maharashtra (58), Gujarat (26), Telangana (13), Karnataka (7), Andhra Pradesh (3), Madhya Pradesh (3), Chhattisgarh (1) and NCR (1). Our store count has grown from 75 to 110 in terms of number of stores over last three Fiscals. We have expanded our footprint using a cluster-based approach. We have strengthened our existing presence in certain regions by opening new stores within a radius of a few kilometers of our existing stores and distribution centres. We intend to further enhance our position in the retail supermarket business in Maharashtra and Gujarat by increasing our market penetration and expanding our store network in these states. We also intend to strengthen our store network in Andhra Pradesh, Telangana, Madhya Pradesh, Karnataka, Chhattisgarh, Tamil Nadu and northern India. For further details, see "*Our Business*" from page 122 to 123.

As a part of our strategy, we propose to utilise ₹ 1,879.50 million out of the Net Proceeds towards purchase of fit outs for our new stores with an aggregate built-up area of 2,100,000 sq. ft. and utilise ₹ 1,786.50 million to undertake construction of new stores with an aggregate built-up area of 900,000 sq. ft. to be undertaken in Fiscals 2018, 2019 and 2020.

We typically set up new stores in three formats being (i) greenfield stores where the land is purchased by our Company and we construct the building for the store and apply fit outs as per our requirements (the "**Greenfield Stores**"); (ii) buyout stores where we purchase the land with ready building and apply fit outs as per our requirements (the "**Buyout Stores**"); and (iii) occupy the property on leasehold basis or rental basis.

Our Company proposes to open new stores in Maharashtra, Karnataka, Andhra Pradesh, Telangana, Madhya Pradesh, Karnataka, Chhattisgarh, Tamil Nadu and northern India and other states as considered necessary and appropriate by our management with an aggregate built-up area of 2,100,000 sq. ft.

As per the certificate issued by Liladhar Parab, Architect & Designers, dated September 27, 2016 (the "**Architect Certificate**"), the average built-up area per store is 42,000 sq. ft. (the "**Average Store Area**"). The Average Store Area has been considered on the basis of aggregate built-up area of six model stores set up in the last three years by our Company selected on the basis of size, complexity, greenfield and buyout and similarities with the stores proposed to be set up by our Company from the Net Proceeds.

Whilst we propose to set up for stores with an aggregate built-up area of 2,100,000 sq. ft., we propose to undertake the following with respect to construction of stores and purchase of fit outs:

(i) construct building for the Greenfield Stores with an aggregate built-up area of 900,000 sq. ft. and utilize ₹ 1,786.50 million out of the Net Proceeds towards construction; and

(ii) purchase fit outs for Greenfield Stores and Buyout Stores with an aggregate built-up area of 2,100,000 sq. ft. and utilize ₹ 1,879.50 million out of the Net Proceeds towards purchase of fit outs.

We have set out below the schedule of implementation and deployment of Net Proceeds towards stores proposed to be set up in Fiscal 2018, Fiscal 2019 and Fiscal 2020. The estimated cost set out below is based on the Architect Certificate and expenditure incurred by our Company in the past on setting up of stores. However, the estimated cost set out below is subject to adjustments, if any, with respect to any escalation of price of the items and contingencies such as necessary and unforeseen change in design of stores and accordingly, in case of any escalation in prices or contingencies, our Company may utilize the Net Proceeds towards such escalation prices or contingencies or may utilise its internal accruals or seek debt financing.

Particulars	Total estimated cost (in ₹ million)	Amount to be Financed from Net Proceeds of the Issue (in ₹ million)	Estimated utilisation of Net Proceeds of the Issue (in ₹ million)		
			Fiscal 2018	Fiscal 2019	Fiscal 2020
Construction cost for stores	1,786.50	1,786.50	397.00	694.75	694.75
Purchase of fit outs for stores	1,879.50	1,879.50	402.74	738.38	738.38
Total	**3,666.00**	**3,666.00**	**799.74**	**1,433.13**	**1,433.13**

Further, we have set out below details of estimated area of the stores proposed to be set up from the Net Proceeds with respect to construction and purchase of fit outs for stores. While we currently propose to purchase fit outs for stores with aggregate built-up area of 2,100,000 sq. ft. and construct stores with aggregate built-up area of 900,000 sq. ft., our management may consider a variation in the location, size or number of stores based on future business requirements and business dynamics. In case there is a change in estimated costs as set out above due to fall or reduction in price of any of the items, our Company may consider undertaking construction of stores in excess of estimated built-up area of 900,000 sq. ft. and purchase fit outs for stores in excess of estimated built-up area of 2,100,000 sq. ft. from estimated utilization of the Net Proceeds.

Particulars	**Total estimated built-up area of stores (in sq. ft.)**	**Estimated built-up area of stores (in sq. ft.)**		
		Fiscal 2018	**Fiscal 2019**	**Fiscal 2020**
Construction cost for stores	900,000	200,000	350,000	350,000
Purchase of fit outs for stores	2,100,000	450,000	825,000	825,000

Estimated cost for construction

The cost of construction for stores primarily comprise of costs towards civil work and civil finishes. Based on the Architect Certificate, estimated cost of various items for the purposes of construction of new stores with an aggregate built-up area of 900,000 sq. ft. (the "Aggregate Construction Area") on the basis of the Average Store Area per store is set out below:

Sr. No.	**Items**	**Rate in ₹ per sq. ft. (on the basis of Average Store Area)***	**Total construction cost for Aggregate Construction Area (In ₹ million)**
1.	**Civil work**		
	Civil contractors' work	1,115.00	1,003.50
	Supply of mild steel for building construction	410.00	369.00
			1,372.50
2.	Civil finishes	460.00	414.00
Total			**1,786.50**

** The Architect Certificate indicates that the rates for items are based on industry standards, prevailing market rates, the past quotations and quotations for ongoing projects, rate contracts and historical cost of stores.*

As indicated above, civil work primarily includes cost of civil contractors' work and supply of mild steel for building construction. The estimated cost for civil contractors' work includes excavation and back filling, retaining wall, masonary work, plastering, water proofing and other miscelleneous) including supply of cement and ready concrete mix.

Civil finishes primarily includes flooring, painiting, fabrication and plumbing related items. Flooring related items include supply of flooring tiles, flooring contractors' work, floor and skirting for tiles, granite flooring in lift area, staircase, toilets, doors and window tiles fixing, godown, otta and trimix flooring work in basement and parking. Painting related items include painting of building for internal and external walls and fabricated items, glazing work for aluminum windows, partitions and doors. Fabrication related items include fabrication of rolling shutters, partitions, railings, canopy and cages. Plumbing related items include plumbing for water supply, internal drainage, rain water, fitting, external drainage, pumps and equipments and sanitary supply and fitting.

Estimated cost for purchase of fit outs

The fit outs for stores primarily include mechanical, electrical and plumbing, furniture, fixtures, display and storage materials and trollies, lifts and IT equipments, software and security systems. Based on the Architect Certificate, the estimated cost of various items for the purposes of applying fit outs for an aggregate built-up area of 2,100,000 sq. ft. (the "**Aggregate Fit-Out Area**") on the basis of the Average Store Area is set out below:

Sr. No.	**Items**	**Rate in ₹ per sq. ft. (on the basis of Average Store Area)***	**Total fit out cost for Aggregate Fit-Out Area (In ₹ million)**
1.	Mechanical, electrical and plumbing - supply and installation	416.00	873.60
2.	Furniture, fixtures, display and storage materials and trollies	198.00	415.80
3.	Lifts - supply and installation	150.00	315.00
4.	IT equipments, software, security systems and others - supply and installation	131.00	275.10

Sr. No.	Items	Rate in ₹ per sq. ft. (on the basis of Average Store Area)*	Total fit out cost for Aggregate Fit-Out Area (In ₹ million)
Total			**1,879.50**

** The Architect Certificate indicates that the rates for items are based on industry standards, prevailing market rates, the past quotations and quotations for ongoing projects, rate contracts and historical cost of stores.*

The cost to be incurred towards mechanical, electrical and plumbing includes cost of power supply (transformer, electrical panels and cables), power back-up (diesel generator, UPS and inverter with battery), electrical fittings (lighting fixtures and fan), electrical contractors' work (electrical installation), hydrant system, pump house, fire extinguisher, alarm and sprinkler system and HVAC.

The cost to be incurred towards furniture, fixtures, display and storage materials and trollies includes cost of office furniture and fixtures, supply and installation of racking systems, trollies, chillers, freezers, logo, checkout counters and ticket holders.

The cost to be incurred towards IT equipments, software, security systems and others includes cost of security System (CCTV, DVR, metal detector), IT system such as computers, servers, networking and other peripherals and other bought out items such as aircurtain, staff locker, insect killer, vault, bins, door metal detector, filing cabinets, etc.

3. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds of the Issue, in compliance with the SEBI Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include meeting day to day expenses such as payment of salary and allowances, purchase of inventory and other activities in the ordinary course of business. In addition to the above, our Company may utilise the Net Proceeds towards other expenditure considered expedient and as approved periodically by the Board or a duly constituted committee thereof, subject to compliance with necessary provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of the Board, shall have flexibility in utilising surplus amounts, if any.

Interim use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Issue Expenses

The total Issue related expenses are estimated to be approximately ₹ [●] million. The Issue related expenses consist of listing fees, underwriting fees, selling commission and brokerage, fees payable to the Lead Managers, legal counsels, Registrar to the Issue, Banker to the Issue including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. All expenses in relation to the Issue shall be borne by our Company. The break-up for the estimated Issue expenses are as follows:

Activity	Amount (1) (₹ in million)	As a % of total estimated Issue related expenses(1)	As a % of Issue size(1)
Payment to the Lead Managers (including underwriting fees, brokerage and selling	[●]	[●]	[●]

Activity	Amount [(1)] (₹ in million)	As a % of total estimated Issue related expenses[(1)]	As a % of Issue size[(1)]
commission)			
Commission and processing fees for SCSBs[(2)]	[●]	[●]	[●]
Brokerage and selling commission for members of the Syndicate, Registered Brokers RTAs and CDPs[(3)(4)]	[●]	[●]	[●]
Fees payable to Registrar to the Issue	[●]	[●]	[●]
Printing and stationery expenses			
Advertising and marketing expenses			
Others: i. Listing fees; ii. SEBI, BSE and NSE processing fees; iii. Fees payable to Legal Counsels; and iv. Miscellaneous.	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

(1) *Will be completed after finalisation of the Issue Price.*

(2) *SCSBs will be entitled to a processing fee of ₹ [●] per ASBA Form for processing the ASBA Forms procured by members of the Syndicate, Brokers, sub-syndicate/agents, Registered Brokers, RTAs or CDPs and submitted to the SCSBs*

(3) *Members of the Syndicate, RTAs, CDPs and SCSBs (for the forms directly procured by them) will be entitled to selling commission as below:*

- *Portion for Retail Individual Bidders: [●]% of the Amount Allotted**
- *Portion for Non-Institutional Bidders: [●]% of the Amount Allotted**

(4) *Registered Brokers will be entitled to a commission of ₹ [●] per every valid ASBA Form submitted to them and uploaded on the electronic bidding system of the Stock Exchanges*

(All of the above are exclusive of applicable taxes)

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

Monitoring Utilization of Funds

Our Company has appointed [●] as monitoring agency for monitoring the utilization of the New Proceeds.

Pursuant to the SEBI Listing Regulations, our Company shall disclose to the Audit Committee the application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including deviations, if any, in the utilization of the Net Proceeds of the Issue from the objects of the Issue as stated above and details of category wise variation in the actual utilization of the Net Proceeds of the Issue from the objects of the Issue as stated above. The information will also be published in newspapers simultaneously with the submission of such information to the Stock Exchanges, after placing the same before the Audit Committee. We will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act, 2013. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Marathi, the vernacular language of the jurisdiction where our Registered and Corporate Office is situated. Our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price and in such manner as may be prescribed by SEBI in Chapter VI-A of the SEBI Regulations.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, our Board, our Key Management Personnel or our Group Company. Except in the normal course of business and in compliance with applicable law, there are no existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoters, our Board, our Key Managerial Personnel, our Associate Company or our Group Companies.

We also do not propose to utilize the Net Proceeds to procure any second hand equipment.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company, in consultation with the Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should also refer to "*Our Business*", "*Risk Factors*" and "*Financial Statements*" beginning on pages 119, 13 and 161, respectively, to have an informed view before making an investment decision.

Qualitative Factors

- Value-retailing to a well-defined target consumer base;
- Steady footprint expansion using a distinct store acquisition strategy and ownership model;
- Deep knowledge and understanding of careful product assortment, strong supplier network and enabling procurement at predicable and competitive pricing leading to an overall efficient cycle;
- High operating efficiency and lean cost structures through stringent inventory management using IT systems;
- Strong promoter background and an experienced and entrepreneurial management team with a proven track record and a high degree of employee ownership; and
- Strong track record of growth and profitability.

For further details, see *"Our Business"*, "*Risk Factors*" and "*Financial Statements*" beginning on pages 119, 13 and 161, respectively

Quantitative Factors

The information presented below relating to our Company is based on the Restated Financial Information prepared in accordance with the Companies Act and restated in accordance with the SEBI Regulations. For details, see "*Financial Statements*" beginning on page 161.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. Basic and Diluted Earnings Per Share ("EPS"), as adjusted for changes in capital:

As per Restated Standalone Financial Information:

Financial Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2016	5.68	5.68	3
March 31, 2015	3.85	3.85	2
March 31, 2014	2.93	2.92	1
Weighted Average	**4.61**	**4.61**	

As per Restated Consolidated Financial Information:

Financial Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2016	5.72	5.72	3
March 31, 2015	3.87	3.87	2
March 31, 2014	2.96	2.95	1
Weighted Average	**4.64**	**4.64**	

Notes:

(1) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights]

(2) The figures disclosed above are based on the Restated Summary Financial Information of our Company.

(3) The face value of each Equity Share is ₹ 10.

(4) *Basic EPS and Diluted EPS calculations are in accordance with Accounting Standard 20 (AS-20) 'Earnings per Share', notified under Section 133 of Companies Act, 2013 read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.*

(5) *The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Information beginning on page 161.*

2. Price/Earning ("P/E") ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the lower end of Price band (no. of times)	P/E at the higher end of Price band (no. of times)
Basic EPS for the year ended March 31, 2016 on an standalone basis	[●]	[●]
Basic EPS – for the year ended March 31, 2016 on a consolidated basis	[●]	[●]
Diluted EPS – for the year ended March 31, 2016 on an standalone basis	[●]	[●]
Diluted EPS – for the year ended March 31, 2016 on a consolidated basis	[●]	[●]

Industry P/E ratio

	P/ E
Highest	240.08
Lowest	123.83
Average	181.95

Note: The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see "– Comparison of Accounting Ratios with Listed Industry Companies" from page 95 to 96.

3. Return on Net Worth ("RoNW")

As per Restated Standalone Financial Information of our Company:

Particulars	RoNW %	Weight
Year ended March 31, 2016	21.09%	3
Year ended March 31, 2015	17.66%	2
Year ended March 31, 2014	16.79%	1
Weighted Average	19.23%	

As per Restated Consolidated Financial Information of our Company:

Particulars	RoNW %	Weight
Year ended March 31, 2016	21.13%	3
Year ended March 31, 2015	17.65%	2
Year ended March 31, 2014	16.89%	1
Weighted Average	19.26%	

Notes:

(1) *Weighted average = Aggregate of year-wise weighted Net Worth divided by the aggregate of weights i.e. [(Net Worth x Weight) for each year] / [Total of weights]*

(2) *Return on Net Worth (%) = Net Profit after Taxation (as restated) divided by Net worth at the end of the year.*

(3) *Net worth has been computed as the aggregate of share capital and reserves and surplus (including securities premium, share option outstanding account, debenture redemption reserve and surplus/ (deficit) of our Company).*

4. Minimum Return on Increased Net Worth after the Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2016:

Particulars	At Floor Price	At Cap Price
To maintain pre-Issue basic EPS		
On standalone basis	[●]%	[●]%
On consolidated basis	[●]%	[●]%
To maintain pre-Issue diluted EPS		
On standalone basis	[●]%	[●]%
On consolidated basis	[●]%	[●]%

5. Net Asset Value per Equity Share of face value of ₹ 10 each

(i) Net Asset Value per Equity Share as on March 31, 2016 as per Restated Standalone Financial Information is ₹ 26.92.

(ii) Net Asset Value per Equity Share as on March 31, 2016 as per Restated Consolidated Financial Information is is ₹ 27.08.

(iii) After the Issue on an standalone basis:

(a) At the Floor Price: ₹ [●]

(b) At the Cap Price: ₹ [●]

(i) After the Issue on a consolidated basis:

(a) At the Floor Price: ₹ [●]

(b) At the Cap Price: ₹ [●]

(ii) Issue Price: ₹ [●]

Notes:

(1) Issue Price per Equity Share will be determined on conclusion of the Book Building Process.

(2) Net Asset Value Per Equity Share = $\dfrac{\textit{Net worth as per the Restated Financial Information}}{\textit{Number of equity shares outstanding as at the end of year}}$

(3) Net worth has been computed as the aggregate of share capital and reserves and surplus (including securities premium, share option outstanding account, debenture redemption reserve and surplus/ (deficit) of our Company).

6. Comparison of Accounting Ratios with Listed Industry Peers

Name of Company	Latest financial year (on a consilidated basis)	Face Value (₹ per share)	EPS (₹ per share)		NAV[2] (₹ per share)	P/E[3]	RONW[4] (%)
			Basic	Diluted			
Avenue Supermarts Limited	Consolidated	10.00	5.72	5.72	27.08	-	21.13%
Peer Group							
Future Retail Limited	Consolidated	2.00	0.66	0.66	39.76	240.08	0.78%
Trent Limited	Consolidated	10.00	18.94	18.94	432.75	123.83	4.38%

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis and is sourced from the annual reports of the respective companies for the year ended and as on March 31, 2016 unless provided otherwise.

Source for Avenue Supermarts Limited: Based on the Restated Consolidated Financial Information for the year ended March 31, 2016 unless provided otherwise.

Note :

[1] NAV is computed as the closing net worth divided by the closing outstanding number of equity shares.

(2) *P/E Ratio has been computed based on the closing market price of equity shares on September 9, 2016, divided by the Diluted EPS.*

(3) *RoNW is computed as net profit after tax divided by closing net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus (including securities premium, share option outstanding account, debenture redemption reserve and surplus/ (deficit) of our Company).*

7. The Issue Price will be [●] times of the face value of the Equity Shares.

The Issue Price of ₹ [●] has been determined by our Company, in consultation with the Lead Managers, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with "*Risk Factors*" and "*Financial Statements*" beginning on pages 13 and 161, respectively, to have a more informed view. The trading price of Equity Shares could decline due to factors mentioned in "*Risk Factors*" beginning on page 13 and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

Statement of possible special tax benefits available to the Company and its shareholders under the applicable laws in India

To,
The Board of Directors
Avenue Supermarts Limited
Anjaneya CHS Limited, Orchard Avenue,
Opp. Hiranandani Foundation School, Powai,
Mumbai 400 076, India.

Sub: Statement of possible special tax benefits (the "Statement") available to Avenue Supermarts Limited (the "Company") and its shareholders prepared in accordance with the requirements under Schedule VIII – Clause (VII)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the "Regulations")

We report that the enclosed statement in **Annexure A**, states the possible special tax benefits available to the Company and to its shareholders under the Income-tax Act, 1961 presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither we are suggesting nor advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

i) the Company or its shareholders will continue to obtain these benefits in future; or

ii) the conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

For Jhawar Mantri & Associates

Chartered Accountants

Firm Registration Number: 113221W

Naresh Jhawar

Partner

Membership No: 045145

Place: Mumbai
Dated : 16th September 2016

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the direct tax laws in force in India (i.e. applicable for the Financial Year 2016-17 relevant to the assessment year 2017-18.

Special tax benefits available to the Company

There are no special tax benefits available under the Income Tax Act 1961(the “IT Act”) to the Company.

Special tax benefits available to the shareholders of the Company

There are no special tax benefits available under the Income Tax Act 1961(the “IT Act”) to the Shareholders.

SECTION IV: ABOUT OUR COMPANY

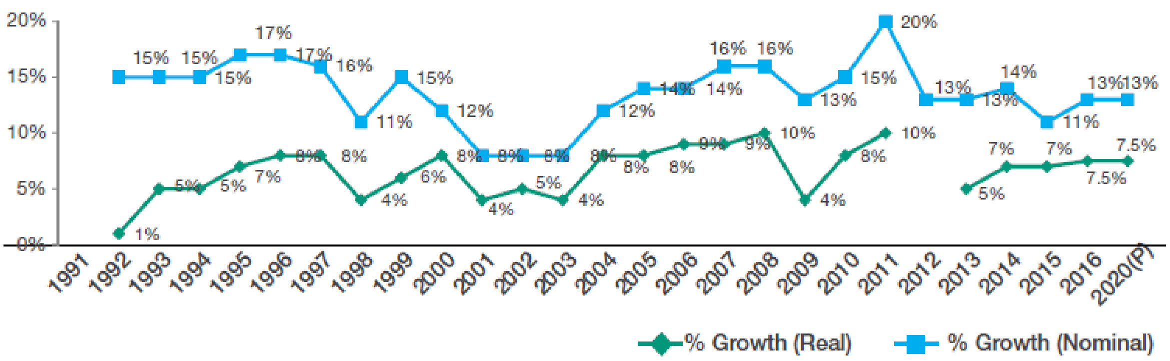
INDUSTRY OVERVIEW

*Unless noted otherwise, the information in this section has been obtained or derived from the "Industry Report on Indian Food and General Merchandise Retail Industry" of August, 2016 by Technopak (the "**Technopak Reports**"), as well as other industry sources and government publications. All information contained in the Technopak Report has been obtained by Technopak from sources believed by it to be accurate and reliable. Although reasonable care has been taken by Technopak to ensure that the information in the Technopak Report is true, such information is provided 'as is' without any warranty of any kind, and Technopak in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information and estimates contained herein must be construed solely as statements of opinion, and Technopak shall not be liable for any losses incurred by users from any use of this publication or its contents. None of the Company, the Lead Managers and any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on or base their investment decision on this information.*

Indian Economy: Macroeconomic Outlook

Economic reforms during early 1990s catapulted Indian economy on a high growth path. The country registered a real GDP growth of about 9.5% in the period 2006-2008 and averaged 8% from 2006-2011. The Indian economy has a significant presence on the global economic stage. During FY 2010 to FY 2016, India's Real GDP grew at a CAGR of 7.3% and at 7.5% during 2015-2016 making it the fastest growing major economy in the world. India's GDP was 2.5% of world GDP in 2013 and it is expected to rise to 3.1% and 3.8% of world GDP in 2016 and 2021 respectively. IMF has pegged India's real GDP growth between 7.5% -7.7% for FY 16-20. IMF and other agencies have predicted India to be in the top three global economies by 2050.

Historical GDP Growth (%)



Source : RBI data, Economic Survey, World Bank, EIU, IMF, Technopak Analysis
2012- GDP Spike in Real growth rate due to change of base from 2004-05 to 2011-12. Hence excluded from decadal growth rate as well
^Real GDP growth projected by leading intl. institutions:

EIU – 7.2%-7.4% (FY 16-20)
World Bank – 7.8%-7.9% (FY 16-17)
IMF – 7.5%-7.7% (FY 16-20)

Sustained high Real GDP growth of over 6% since 1991, has led to a fundamental transformation of the Indian economy. The country was close to the USD 1tn GDP mark at USD 967 bn in 2010 and doubled it to USD 1872bn by FY2015. At a projected nominal GDP growth rate of 13% in the period 2016-2020, India is expected to become a USD 3.5tn economy by 2020. India is a consumption-led economy with private consumption forming around 60% of the GDP. Several factors will continue to drive the consumption and contribute to the economy including:

- Favorable demographics, dropping dependency ratio, rapidly rising education levels and steady growth of urbanization
- Growing young & working population
- Increasing penetration of mobile technology and internet infrastructure

- Increasing aspirations and affordability
- Government's focus on skill development, job creation, infrastructure, manufacturing and investments
- Financial inclusion initiatives such as UDI led bank accounts and direct transfer of subsidies

Consumption Growth

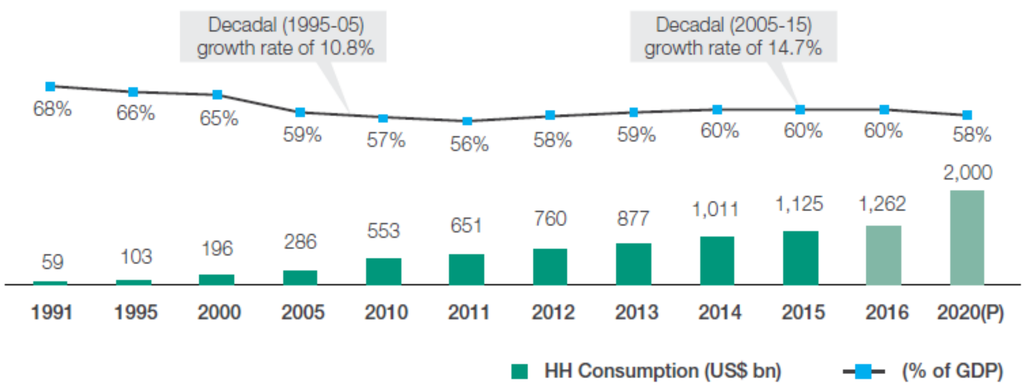
Total Private Final Consumption Expenditure (US$ bn)

Country	2008	2009	2010	2011	2012	2013	2014	2015	2020P	Contribution to GDP*
UK	1,792	1,498	1,553	1,672	1,710	1,763	1,933	1,847	1,665	69%
U.S.	10,014	9,847	10,202	10,689	11,050	11,392	11,865	12,271	13,913	68%
Brazil	1,012	1,032	1,330	1,575	1,510	1,519	1,507	1,124	2,350	63%
Italy	1,424	1,325	1,296	1,400	1,276	1,302	1,312	1,108	1,143	63%
India	424	485	553	651	760	877	1,011	1,125	2,000	58%
Germany	2,075	1,963	1,915	2,078	1,970	2,074	2,112	1,813	2,108	57%
Indonesia	309	317	424	494	517	518	509	491	909	56%
France	1,615	1,514	1,486	1,596	1,492	1,560	1,572	1332	1,470	55%
Thailand	156	149	177	196	209	218	211	NA	339	55%
Malaysia	103	99	122	143	156	167	177	160	295	51%
China	1,608	1,809	2,079	2,615	3,019	3,424	3,954	NA	10,024	36%

Source: World Bank, Technopak Research & Analysis
** 2013 Year mentioned is FY; The projections have been arrived at by considering the growth trends for the past five years. Projected values for 2014-20 have been provided in annexure 1.7.1.*

Globally India is seen as one of the key consumer markets from where future growth is likely to emerge. It is estimated that India's consumption expenditure will increase to USD 2,000bn by 2020 and will surpass the consumption expenditure of developed economies like Italy, France and United Kingdom. By 2030, India is expected to rank among the top 5 economies in terms of consumption.

India's PFCE (Private Final Consumption Expenditure) as a Share of GDP



Source : RBI data, Economic Survey, World Bank, EIU, IMF, Technopak Analysis
1 US$ = INR 67
** Increase in the share of GDP due to the new methodology of calculating GDP and change in base*
^GCFC includes land improvements (fence, drain, etc.) , investments on plants & machinery, Infrastructure such as roads, railways, schools, hospitals, residential and commercial buildings, etc.

Household Consumption at USD 1,262bn currently accounts for approximately 60% of the Indian GDP. This is much higher than the share of household consumption in China (around 37%) and comparable to that of the UK and US, approximately 65% and 68%, respectively. The decadal annual growth rate of 1995-2005 was around 11% and grew to approximately 15% for 2005-2015. Although household consumption has been growing at a healthy rate, factors such as inflation reduce purchasing power, limiting household spending. The Gross Fixed Capital Formation (GFCF) has grown from contributing 22% of GDP in 1990-1991 to 28-30% of GDP currently. Going forward, projects such as "Make in India" are expected to bring in higher infrastructure investments, boost the manufacturing sector and enhance exports. All of these would result in a lowering share of household spending in the country's GDP. Thus going forward, India is expected to continue the trend with private consumption reaching 58% by 2020 at USD 2tn in absolute terms and will surpass that of developed economies like Italy, France and United Kingdom.

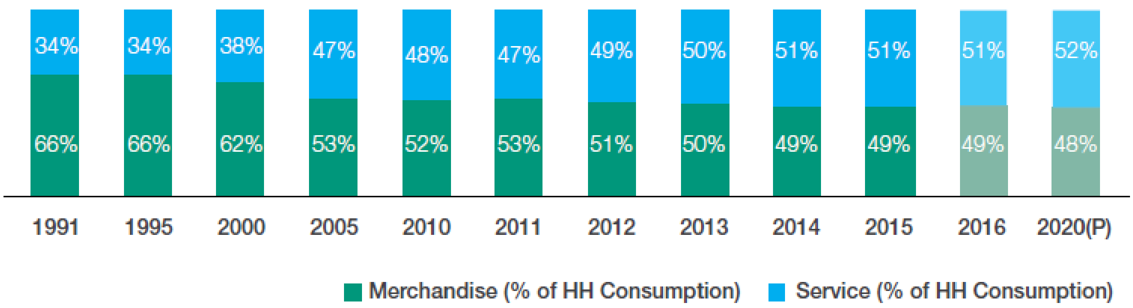
Share of Merchandise and Services in Household Expenditure

With sustained economic growth (as reflected in the GDP growth), Indian consumers move up the prosperity ladder. This movement gets reflected in the increased consumption expenditure and the split of this expenditure between need based and discretionary. The share of expenditure on discretionary purchase increases, while the share of expenditure on basic necessities such as food gradually reduces. This shift in spending patterns has resulted in micro-trends within the overall consumption basket in India. The share of merchandise has fallen to approximately 49% in 2016 (from 66% in 1991), driven by a corresponding increase in services expenditure. Telecom and the Internet, which made rapid strides in the past decade, coupled with an increasing awareness among consumers, urbanization and rising aspirational needs have fueled this shift:

- For instance between 2004-2005 and 2011-2012, the rural sector showed an increase of 75% in per capita LPG consumption; 57% in per capita electricity consumption.
- During the same period fuel consumption in urban India rose more than 4 times. Similar increases were witnessed in the telecom sector, rent, cable TV subscription, etc. – all leading to an increase in the overall share of services. Other services such as eating out, grooming, entertainment, healthcare, education etc. have also found an increased share of consumer spending.

It is expected that this shift will continue, although more gradually, as services penetration saturates. Merchandize expenditure will constitute 48% of total consumption by 2020, from 49% currently, though it will grow in absolute terms.

Split of Merchandise and Services in HH expenditure



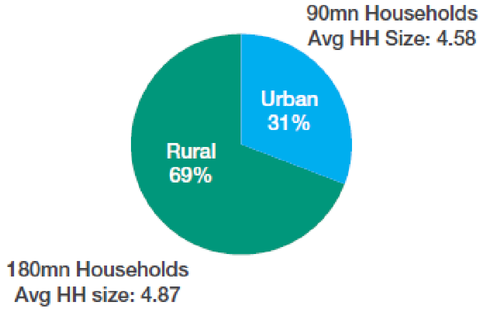
Source : RBI data, MOSPI, Economic Survey, Technopak Analysis

Demographic Profile

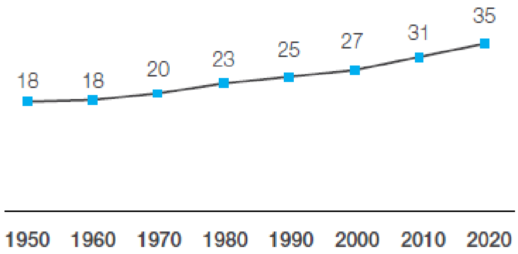
Increasing Urbanisation

Urbanisation in India began to accelerate after independence. The growth of industries contributed to the growth of cities leading to a migration of people towards industrial areas in search of employment opportunities. This resulted in the growth of towns and cities. Other factors such as better standard of living, education opportunities etc. are the other drivers of this change. The official figures of urbanization currently stand at approximately 32% however in reality it is believed this number is much higher because of the way urban centers are defined to include many rural and semi - rural pockets that have become urban centers.

Urban Rural Split of Indian Population - 2011



Urban as a Share of Total Population (%)



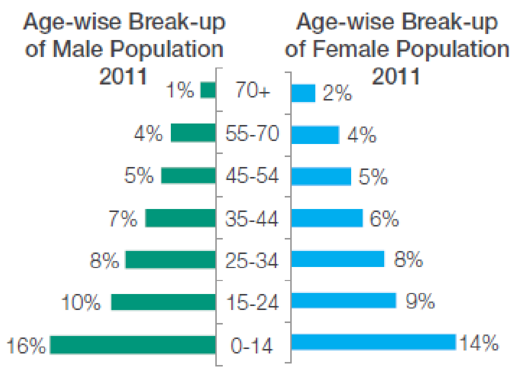
Source: The census of India 2011, Technopak Analysis

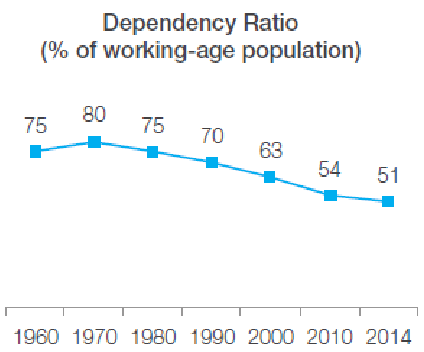
Young Demographics and Reducing Dependency Ratio

India is a young country and will continue to remain young. The young India will continue to drive India's growth story:

- Approximately 65% of the population is below 35 years of age and approximately 78% of the population is below 45 years of age;
- The median age in India was 27 years in 2011, which is expected to become 29 years in 2025. Compared to other top 10 economies (including China), India has the lowest median age and this trend will be even more pronounced in next 2 decades as most other populations age. The dependency ratio has continuously decreased from 80% in 1970 to around 50% in 2014
- This young generation is more aspirational, well-connected & networked, comfortable with technology, mobile and has high spending power. This young population with rising incomes will have a significant impact on retailing and consumption of many categories and products as this class will be consuming a greater number of lifestyle categories than their parents.

<u>Age-wise Population Break Up and Dependency Ratio</u>





Source: The census of India 2011, Technopak Analysis
Http://censusindia.Gov.In/2011-prov-results/data_files/india/final_ppt_2011_chapter3.Pdf
The rest of worlds population is taken where it is available
Source: united nations database

Age dependency ratio is the ratio of dependents--people younger than 15 or older than 64--to the working-age population--those ages 15-64. Data are shown as the proportion of dependents per 100 working-age population.

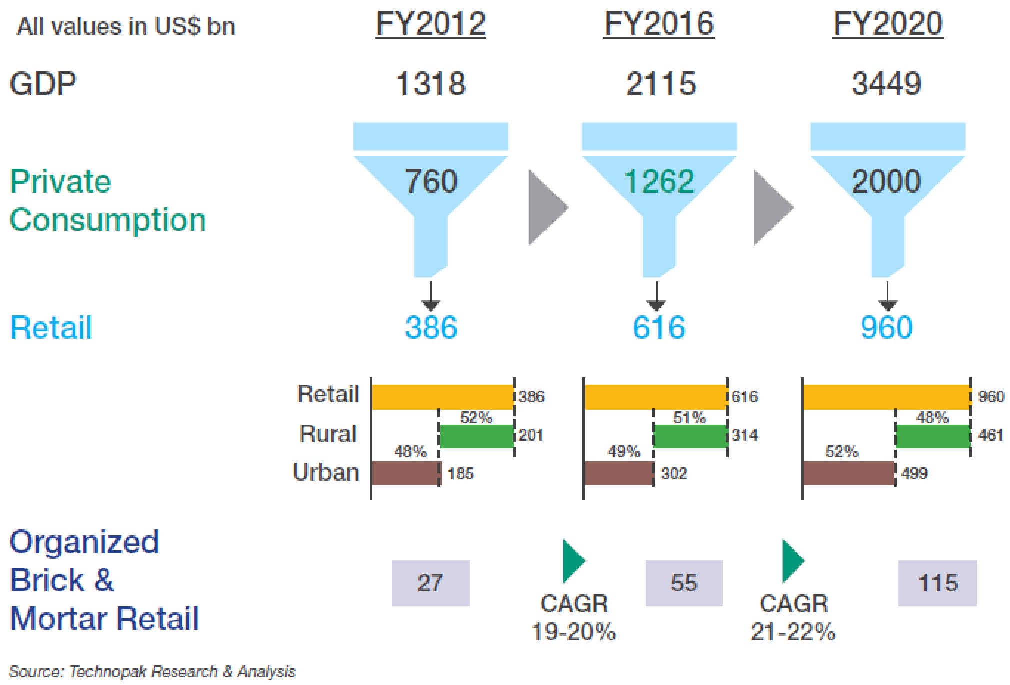
Distribution of Merchandise Consumer Spending

In 2016, India's GDP is estimated at approximately USD 2,115bn, 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 616bn (approximately) to USD 960bn by 2020.

Share of urban retail is expected to grow from 49% in FY16 to 52% in FY20 due to increasing urbanization, a higher increase in urban household income, rural distress due to erratic monsoons and increasing penetration of organized retail in urban centers.

Organized Brick & Mortar retail (which is largely concentrated in urban India) was 9% of total retail (USD 55bn) in FY16 and this is expected to become 12% (USD 115bn) by FY20. It was 7% of total retail in FY10.

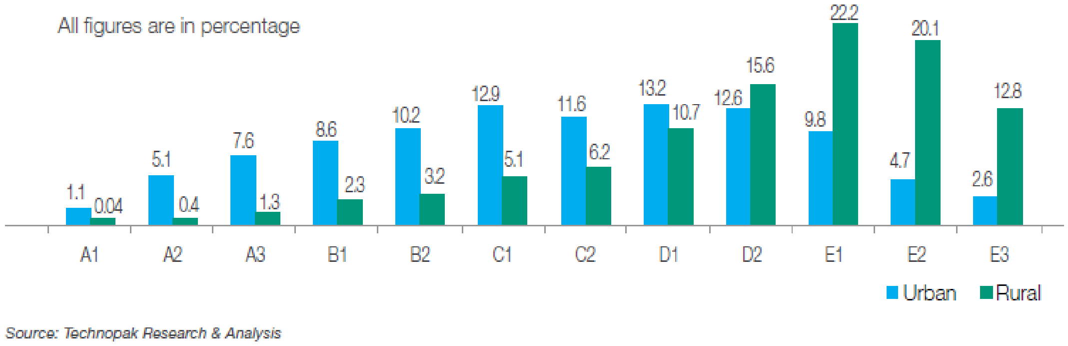
Distribution of Merchandise Consumer Spending



Top 20% of Indian households account for approximately 50% of the total household consumption

Household consumption in India has a skew – especially urban. SEC A , B and C1 which accounts for 45% of the urban and a little over 10% of the rural Indian population is commonly referred to as the "Top 20 %" (by income of Indian households). The "Top 20%" of Indian households account for 40-50% of total household consumption expenditure and 50-60% of household income. The next 40% of the households account for 40% of the overall household expenditure while the bottom 40% (largely comprising of SEC E) make up 10-20% of household consumption.

SEC Break-up of Indian Households - Yr 2015



SEC-wise Population Break Up

Year 2015	Urban	Rural
Population (mn)	413	878
Households (mn)	90	180
SEC A (%)	13.8	1.7
SEC B (%)	18.8	5.5
SEC C (%)	24.5	11.3
SEC D (%)	25.8	26.3
SEC E (%)	17.1	55.1

Source: Technopak Research & Analysis

Socio economic classification is a stratification of Indian households used by marketers to understand consumer worthiness and consumption lifestyle. It is widely agreed that consumption behavior in India is better predicted by the SEC (socio economic class) classification, which is based on education of chief earner and number of "consumer durables" (from a predefined list)-owned by the family. The list has 11 items, ranging from 'electricity connection' and 'agricultural land'-to cars and air conditioners.

Retail Basket and Consumer Spend Trends in India

Retail Consumption Across Key Categories

Currently, the food and groceries (F&G) segment constitutes a majority share of the retail market (67%). According to Technopak, 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. Apparel and accessories and consumer electronics are the other two key categories which account for 8% and 6% of the total retail market, respectively.

Categories	2012	2016	2020
Total Retail (US$ bn)	**386**	**616**	**960**
Food and Grocery	67.5%	67%	66%
Apparel & Accessories*	8.25%	8.0%	7.75%
Footwear	1.15%	1.18%	1.20%
Jewellery & Watches	7.3%	7.6%	8.05%
Pharmacy & Wellness	2.8%	2.9%	2.95%
Consumer Electronics	5.2%	5.7%	6.6%
Home & Living	4.15%	4.3%	4.35%
Others	~3.6%	~3.3%	~3.1%
Total	**100%**	**100%**	**100%**

- *Accessories includes Bags, Belts, Wallets ;*
- *Others include Books & Stationery, Toys, Eyewear, Sports Goods, Alcoholic Beverages & Tobacco etc.*

1 US$ = INR 67

Source: Technopak Research & Analysis

Retail Consumption Across States

<u>Share of Retail Spending In Select States (US$ bn.)</u>

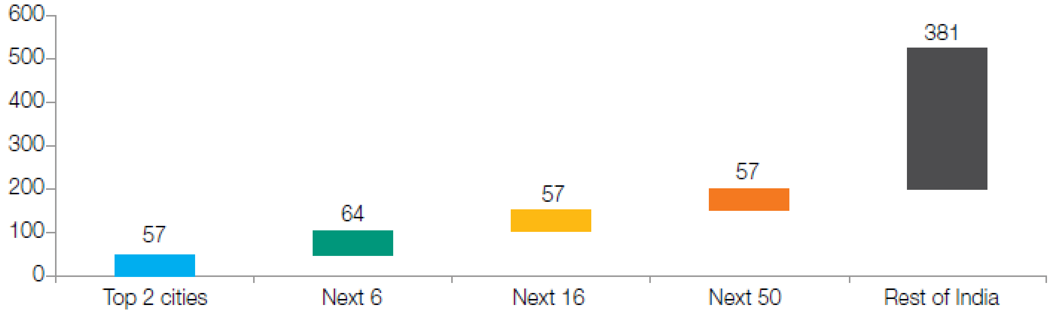
	States	Retail Spending 2012	Retail Spending 2016
1	Maharashtra	65	94
2	UP	30	44
3	AP	32	25
4	Telangana	-	24
5	Tamil Nadu	32	49
6	West Bengal	20	29
7	Gujarat	26	39
8	Karnataka	24	40
9	Rajasthan	18	26
10	Kerala	16	23
11	MP	12	19
12	Delhi	16	26
13	Haryana	14	23
14	Bihar	8	16
15	Punjab	11	16
16	Orissa	7	11
		331	**505**

Source: Technopak Research & Analysis

16 Indian states contribute approximately 85% of the total retail spend and are expected to continue to have a significant share of the total retail consumption. Retail opportunity in three southern states – Karnataka, Andhra Pradesh and Telangana is currently approximately USD100bn. According to Technopak, these three key southern states will witness robust growth over the next four years as well. 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.

Share of Retail Consumer Spending in Cities

<u>India retail spend of US$ 616bn in 2016 across different city & region types</u>

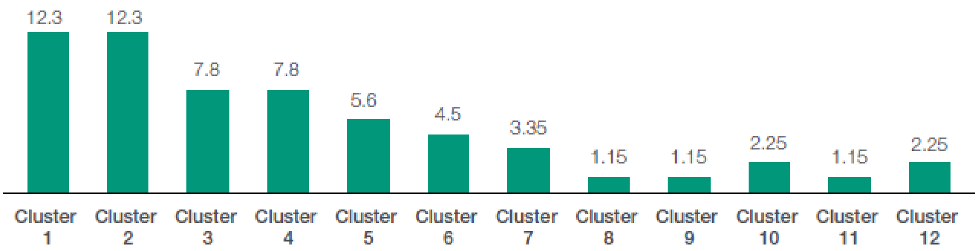


Top 2 Cities: Delhi and Mumbai
Next 6 Cities: Bangalore, Chennai, Hyderabad, Ahmedabad, Pune, Kolkata
Next 16 Cities: Surat, Jaipur, Lucknow, Nagpur, Patna, Indore, Coimbatore, Vadodara, Ludhiana, Bhopal. Kochi, Vishakapatnam, Madurai, Nashik, Jamshedpur, Guwahati
Source: Technopak Research & Analysis

Delhi & Mumbai clusters contribute around 9% of India's total retail spending. The top 22 cities account for 29% of total retail, and the top 72 cities account for almost 39%.

SEC A and B drive aspirational consumption and the high presence of these socio-economic customer segments has resulted in an emergence of concentrated clusters of consumption.

Size Of Retail Spending Of SEC-A and SEC-B In Key Clusters in US$ bn (2016)



Cluster 1: Greater Mumbai, Pune, Nashik, Solapur, Aurangabad, Bhiwandi

Cluster 2: Delhi, Gurgaon, Noida, Faridabad, Ghaziabad

Cluster 3: Kolkata, Asansol, Guwahati, Bhubaneswar, Cuttack

Cluster 4: Bangalore, Chennai, Mysore, Hubli-Dharwad, Mangalore, Belgaum, Pondicherry

Cluster 5: Hyderabad, Visakhapatnm, Vijayawada, Warangal, Guntur

Cluster 6: Ahmedabad, Surat, Vadodara, Rajkot, Jamnagar, Bhavnagar

Cluster 7: Kanpur, Lucknow, Varanasi, Agra, Meerut, Bareilly, Aligarh, Moradabad, Dehradun, Gorakhpur

Cluster 8: Jaipur, Jodhpur, Kota, Bikaner

Cluster 9: Ludhiana, Amritsar, Chandigarh, Jalandhar

Cluster 10: Kochi, Coimbatore, Madurai, Trivandrum, Kozhikode, Tiruchirapp, Tiruppur

Cluster 11: Ranchi, Jamshedpur, Dhanbad, Patna

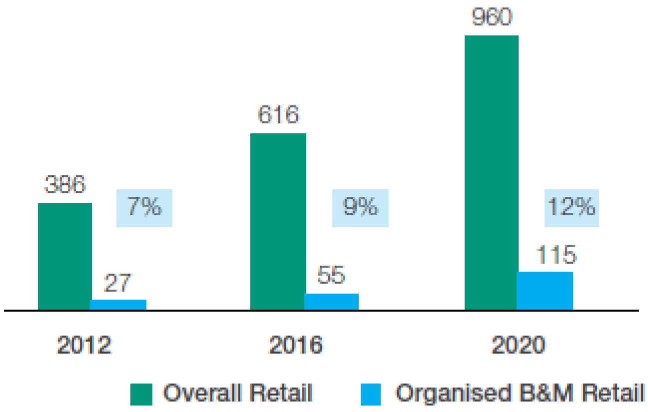
Cluster 12: Gwalior, Indore, Bhopal, Jabalpur, Durg-Bhilai, Raipur, Amravati

Source: Technopak Research & Analysis

Organised B&M Retail

While organized retail, primarily brick & mortar, has been in India for more than two decades now, its contribution to total retail is still low at 9% (USD55bn) as of 2016, a modest increase from around 7% in 2012.

Overall Retail Market (US$ bn)



1 US$ = INR 67
Source: Technopak Research & Analysis

Inter-category Penetration in Organised Retail

Footwear has the highest share in terms of penetration achieved by organised retail at 40% whereas food and grocery is the least penetrated with 3% organized share. Apparel & accessories, jewellery and CDIT reflect a penetration of 22%, 27% and 25%, respectively. F&G and general merchandise category, currently at 3% penetration, is projected to drive the growth of the share of organised retail within the total retail market over the next few years.

FY 16 (US$ bn)	Share of Retail	Retail Size	% of Organized Retail	Organized Market Sized (US$ bn)	Key Retailers
Food and Grocery	67%	413	3%	13	DMart, Reliance Fresh, More, Big Bazaar
Apparel & Accessories*	8%	49.25	22%	10.85	Shoppers Stop, Lifestyle, Westside
Jewellery & Watches	7.60%	46.8	27%	12.65	Kalyan Jewellers, Tanishq, Malabar
CDIT	5.70%	35	25%	8.78	Croma, Reliance Digital, eZone
Home & Living	4.30%	26.5	10%	2.65	Home Centre, Home Stop, Home Town
Pharmacy & Wellness	2.90%	17.8	10%	1.8	Apollo, MedPlus
Footwear	1.80%	7.4	40%	3	Bata India, Metro Shoes, Adidas
Others	1.2%	20.3	12%	2.45	
Total	**100%**	**616**	**9%**	**55**	

• Accessories includes Bags, Belts, Wallets ;
• Others include Books & Stationery, Toys, Eyewear, Sports Goods, Alcoholic Beverages & Tobacco etc.
1 US$ = INR 67
Source: Technopak Research & Analysis

In 2020, the F&G segment is projected to witness the current pace of robust growth and reach a 5% share of organized retail penetration. Major general merchandiser retailers are still going through the learning curve of challenges in the organized brick and mortar sector. Due to increasing pressure on margin efficiency and profitability, general merchandise retailers will increasingly re-align category offering, space rationalization and format consolidation over the next few years. These factors are expected to lead to higher productivity and efficiency driving the increase of organized retail penetration within F&G segment.

Organized Penetration Across Key Categories

Categories	2012	2016	2020
Total Organized Retail (US$ bn)	**27**	**55**	**115**
Food and Grocery	1.5 %	3%	5%
Apparel & Accessories*	20%	22%	32.5%
Footwear	38%	40%	43.5%
Jewellery & Watches	26%	27%	30%
Pharmacy & Wellness	8%	10%	12%
Consumer Electronics	23%	25%	32%
Home & Living	8%	10%	12%
Others	10%	12%	14%

Accessories includes Bags, Belts, Wallets;
Others include Books & Stationery, Toys, Eyewear, Sports Goods, Alcoholic Beverages & Tobacco etc.
1 US$ = INR 67
Source: Technopak Research & Analysis

Size of Organized Retail Across Cateogories

Categories	2012	2016	2020
Total Organized Retail (US$ bn)	**27**	**55**	**115**
Food and Grocery	4	13	31
Apparel & Accessories*	6.37	10.8	24
Footwear	1.7	3	5
Jewellery & Watches	7.3	12.65	23
Pharmacy & Wellness	0.87	1.8	3.3
Consumer Electronics	4.6	8.7	20
Home & Living	1.28	2.65	5
Others	1.4	2.45	4

Source: Secondary research, Industry reports, Technopak Research & Analysis
1 US$ = INR 67

The modern retail journey in India in general merchandise retail started to take off in the early 2000s. The period up until 2006 can be classified as the period of entry and rapid expansion. Many conglomerates sensed retail as a growth opportunity and entered the business. Some vertically integrated players in fashion, food and real estate also entered modern retail business. The initial aim was to grow foot prints in the form of number of stores. The expansion was largely driven by a multi-category presence and a multi -city presence across regions. Since 2010, the brick retailing industry has gone through a period of consolidation and focus. Growth of E-commerce also promoted the retailers to revisit their strategies. For instance electronics focused brick formats and home focused stores came under pressure.

Indian retailers who have adopted the three success factors 1) format focus 2) category focus and 3) geography focus have witnessed profitable growth thus justifying modern retail's viability in India.

Many national retailers on the other hand adopted tactical initiatives for key business decisions resulting in challenges in scalability, business efficiencies and profitability. Three factors signify the focus of brick retailers today – a) category focus, b) format focus and c) cluster approach to expansion. Indian retailers demonstrated limited perspective vis-à-vis salient business decisions.

Formats in Organised B&M Retail

Classification by brands housed

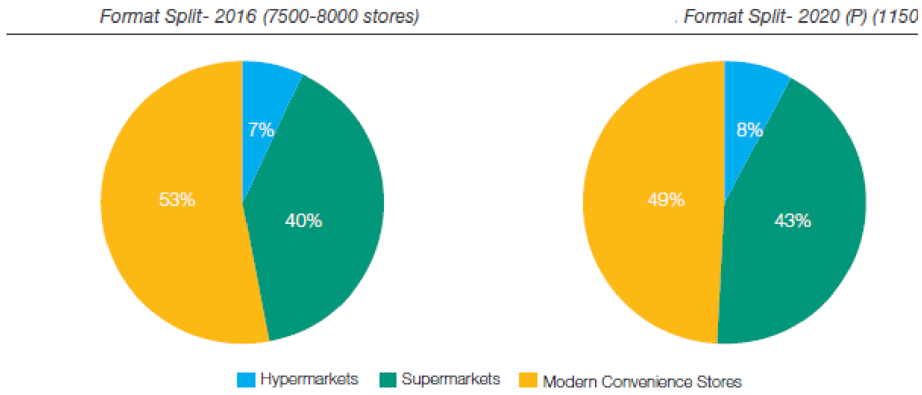
- *Multi brand retail chains*: Highly fragmented with several national and regional chains
- *Single brand retail chains*: Highly fragmented with several brand stores specially in apparel and lifestyle and CDIT space
- *Modern independent retail stores*: These are standalone stores which have upgraded themselves into organized stores

Classification by store size and product category assortment

- *Hypermarkets*: Largest by size, with average store size ranging from 30,000 to 60,000 sq. ft. The focus category assortment can be defined as follows: F&G 30-35%, Non Food (FMCG) 15-20% and Others 45-55%. These hypermarkets include the biggest retailers including EasyDay, Big Bazaar and Spencer's and they differentiate themselves based on wide variety of products and the shopping experience delivered.
- *Hybrid Supermarkets:* These are smaller than hypermarkets but larger than a typical supermarket; with an average store size of 20,000 to 30,000 sq. ft. The focus category assortment can be defined as follows: F&G 45-50%, Non Food (FMCG) 20-25% and Others 25-35%. Key retailers in this segment include D'Mart and Q'Mart. They focus on competitive pricing due to efficiencies achieved.
- *Supermarkets*: Their store size ranges from 3,000 to 6,000 sq. ft. and the category assortment is dominated by the F&G segment. The focus category mix can be defined as follows: F&G 60-65%, Non Food (FMCG) 20-25% and Others 10-20%. Key retailers operating in this format include EasyDay, Food Bazaar and Spencer's. These are typically situated in residential areas to provide a convenient outlet for local consumers.

- *Modern Convenience Stores*: These are the smallest format in organised B&M retail, with an average store size from 1,500 to 2,500 sq. ft. Similar to supermarkets; they have a greater focus on fast moving products, especially in line with specific neighborhood demands. The focus category assortment can be defined as follows: F&G 65-70%, Non Food FMCG 20-25% and Others 5-15%. Retailers in this segment include Nilgiri's, M.K. Retail and Ratandeep.

Format Share



Source: Industry sources, Technopak Research & Analysis
Note: Format split by number of organised formats

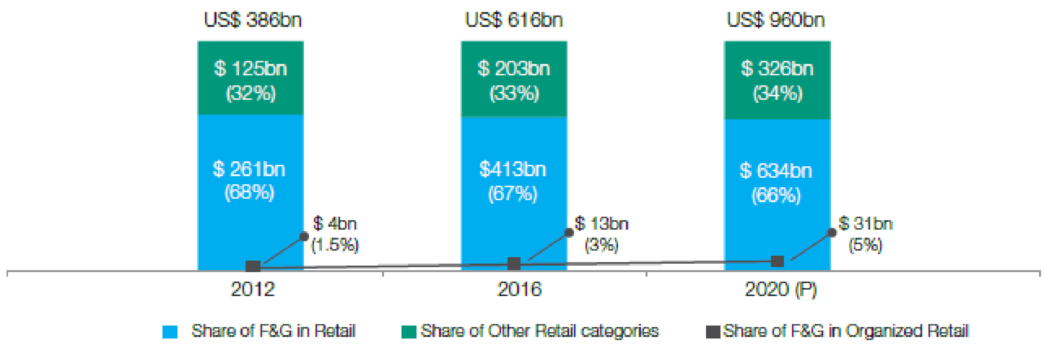
Modern convenience stores comprise nearly half of the organized B&M market with hypermarkets taking 7% and supermarkets the rest of the 40% in terms of store count. With growing consumption in Tier I & Tier II cities and easy availability of retail space in these cities, the growth of organized formats will be focused around these clusters. The availability of retail area, growing consumption and format rationalization will be instrumental in the growth of hypermarkets and supermarkets. It is projected that the share of these formats will rise from 47% in 2016 to 51% by 2020.

To achieve operational efficiencies in smaller cities, relatively bigger formats like hypermarkets are rationalizing the store size to around 20,000 to 30,000 sq. ft. This rationalization is giving rise to a new format in retailing which can be termed as hybrid supermarkets.

Food & Grocery and General Merchandise Category in Organised B&M Retail

Food & Grocery currently forms the major share of retail at 67% and will continue to be the major contributor in retail sector even by 2020. Though the share of F&G has gone down by 1% from 2012 and is expected to decline to 66% by 2020, the share of F&G in organized retail has doubled from 1.5% in 2012 to around 3% in 2016 and is expected to be 5% by 2020.

<u>Share and Growth of Food & Grocery in Retail</u>



Source: Industry sources, Technopak Research & Analysis
Note: Other retail comprises of Apparel, Jewelry & Watches, Pharmacy & Wellness, Footwear, Mobile, Electronics, Home & Living, Others Year mentioned is FY

The organized F& G market has grown at a CAGR of 33% to reach USD13bn in 2016 from USD4bn in 2012 and is expected to further grow at a CAGR of 26% to reach USD31bn by 2020. The general merchandise dynamic in India reflects differentiated category offering based on segmentation. Key segments are as follows:

- *Food & Grocery*: includes fresh leaf vegetables, non-leaf fresh vegetables and fruits, staples, packaged foods, frozen foods and beverages.

- *Non-Food FMCG:* includes personal care, & hygiene, household essentials and utilities.

- *General Merchandise*: Small household utensils and plastic, small household wares, stationery, toys etc.
- *Apparel & Accessories*: includes clothing, footwear and other accessories.
- *Smart Electronics*: Small kitchen appliances, visual displays, phones and electronic accessories.

Key Organised B&M Retailers in India

Store Footprint

The growth of general merchandise retail in India has involved multi-city as well as multi-format growth by the large business conglomerates. This approach led to operating of multi-formats by the same business house, such as Reliance, Future Group, Aditya Birla Group. Additionally, a few regional retailers in some metros & mini metros have focused on key clusters and have established successful operations in these cities.

Store Foot print of key retailers in India

Group	Brands	Format	Presence	Number of Stores-March 2012	Number of Stores-March 2016	Presence across No. of Cities
Future Group	Big Bazaar	Hypermarket	National	138	500*	200+
Bharti Group	EasyDay Hyper	Hypermarket	National	1	15**	
	EasyDay	Supermarket/ Convenience Store	National	188	188**	
Reliance	Reliance Mart & Reliance Super	Hypermarket	National	18	60	200+
	Reliance Fresh	Supermarket/ Convenience Store	National	453	597	
Aditya Birla Retail	More Megastore	Hypermarket	National	13	19	170
	More	Supermarket/ Convenience Store	National	478	487	
Trent/ Tata Group	Star Bazaar	Hypermarket	Emerging National	7	10	5
	Star Market	Supermarket/ Convenience Store	Emerging National	NA	5	
	Star Daily	Supermarket/ Convenience Store	Emerging National	NA	11	
CESC limited	Spencer's Hypermarket	Hypermarket	National	NA	37	24
	Spencer's Supermarket	Supermarket/ Convenience Store	National	NA	84	
K Raheja Corp	Hypercity	Hypermarket	Emerging National	10	17	5
Avenue Supermarkets	D'Mart	Supermarket	Emerging National	55	110	39

Source: Industry Sources, Technopak Research & Analysis
*Note: * Store count of Big Bazaar also includes stores of Foodhall and Food Bazaar*
*** All stores of Bharti Group are a part of Future Group in 2016*

Average Store Area

At present, the organized general merchandise players in India occupy around 40 to 45 million sq. ft. area. This requirement of retail space is estimated to grow to 60 to 65 million sq. ft. by 2020.

Average Store Size of Key Players

Hypermarkets			Supermarkets			Regional Players		
Player	Average Area per Store (Sq. ft.)- 2012	Average Area per Store (Sq. ft.)- 2016	Player	Average Area per Store (Sq. ft.)- 2012	Average Area per Store (Sq. ft.)- 2016	Player	Average Area per Store (Sq. ft.)- 2012	Average Area per Store (Sq. ft.)- 2016
Reliance Mart	70,000-1,00,000	40,000-45,000	D'Mart	28,000-32,000	28,000-32,000	Regional Players	2,000-3,000	2,000-3,000
Star Bazaar	55,000-65,000	45,000-55,000	Reliance Fresh	3,000-5,000	3,000-4,000			
Big Bazaar	45,000-50,000	43,000-45,000	Food Bazaar	16,000-18,000	16,000-17,000			
Spencer Hypermarket	40,000-50,000	22,000-25,000	Spencer Supermarket	3,500-4,500	2,750-3,000			
More Megastore	70,000-80,000	40,000-45,000	More	2,000-5,000	2,000-2,500			
Hypercity	90,000-1,00,000	75,000-85,000						

Source: Industry Sources, Technopak Research & Analysis

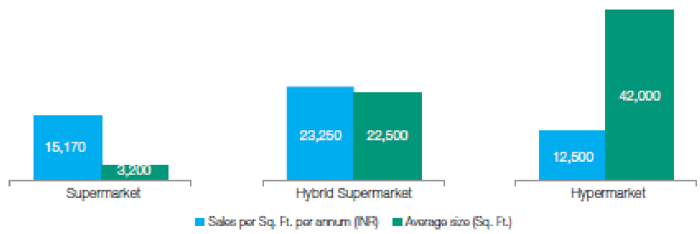
Retail Productivity

Supermarkets have been observed to garner higher levels of productivity amongst the general merchandise focused formats. The store productivity of a supermarket is typically 20-25% higher than that of a hypermarket. Though the efficiencies are higher for supermarkets, the margins are lower as compared to hypermarkets. The margins are lower due to F&G category accounting for a greater portion of the product mix, in which the margins are lower as compared to other non-FMCG categories.

It has also been observed that players operating in hybrid supermarket space with average store size of 20,000 to 30,000 sq. ft. have been achieving greater productivity as compared to hypermarkets and provide more variety to the consumers as compared to supermarkets.

The sales per square feet of a hypermarket are low when compared to a supermarket; the gross margins in these formats are higher than the supermarkets. The higher gross margins are a factor of the category mix which is broadest in case of a hypermarket, a healthy mix of F&G, fashion & apparel, non-food FMCG and accessories.

Productivity Supermarkets vs. Hybrid Supermarkets vs. Hypermarkets- 2016

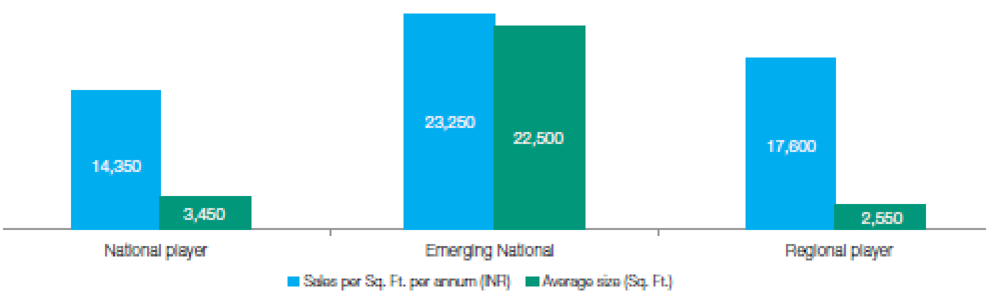


Source: Industry Sources, Technopak Research & Analysis

Further, the productivity of regional retailers tends to be higher than pan-India ones. The regional retailers generate around 15 to 20% more revenue per sq. ft. compared to the national peers. The success of regional retailers is largely due to better understanding of neighborhood and local requirements, a leaner decision-making process and a simpler supply chain compared to pan-India chains. Most of the regional retailers are family-run business and are able to optimize on operating costs such as manpower. Further, regional retailers have succeeded in leveraging on following counts:

- merchandising, offering and incorporating regional preferences
- format-focus and customer segment focus
- efficient supply chain through local sourcing
- direct terms with consumer companies owing to: i) loyal customer base; ii) higher throughput; and iii) marketing platform
- catchment demand assessment
- real estate advantage owing to store size viability and location
- focus on operational agility

Productivity (Supermarkets)- National vs. Emerging National vs. Regional Players- 2016



Source: Industry Sources, Technopak Research & Analysis

According to Technopak, emerging national retailers such as D'Mart, Star Bazaar and SRS have also recognized the importance of staying focused and not spreading across categories. They have focused on clusters and regions to win market share before entering the market in other regions due to supply chain complexities. Retailers like D'Mart who have stayed focused on certain categories and clusters have been able to achieve best in class productivity among Indian retailers.

Average Sales per Sq. Ft. of Key Players

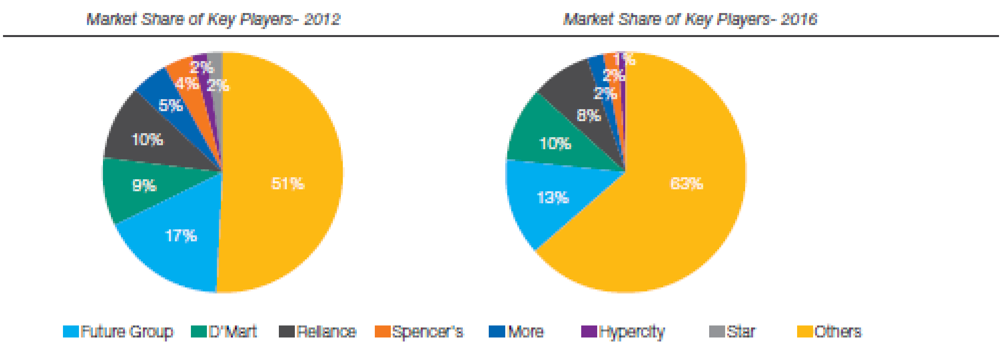
Hypermarkets			Supermarkets			Regional Players		
Player	Sales per Sq. Ft./ Annum (INR)-2012	Sales per Sq. Ft./ Annum (INR)-2016	Player	Sales per Sq. Ft./ Annum (INR)-2012	Sales per Sq. Ft./ Annum (INR)-2016	Player	Sales per Sq. Ft./ Annum (INR)-2012	Sales per Sq. Ft./ Annum (INR)-2016
Reliance Mart	5,000-6,000	8,500-9,500	D'Mart	12,000-12,500	28,000-30,000	Regional Players	8,500-9,500	17,000-17,500
Star Bazaar	6,500-7,500	11,000-13,000	Reliance Fresh	9,000-10,000	17,500-18,500			
Big Bazaar	5,500-6,500	9,500-10,500	Food Bazaar	7,500-8,500	15,000-15,500			
Spencer Hypermarket	6,000-7,000	16,000-17,000	Spencer Supermarket	7,000-8,000	17,500-18,500			
More Megastore	4,500-5,500	8,500-9,500	More	5,000-6,000	8,000-9,000			
Hypercity	5,000-6,000	7,000-8,000	EasyDay	7,500-8,500	15,000-16,000			

Source: Industry sources, Technopak Research & Analysis
Note: Year mentioned is FY; Regional players represent brands like Nilgiri's, Ratandeep, M.K. Retail, SRS Retail etc.

Current Revenue & Profitability

Key retailers operating in the F&G segment currently hold around 37% market share of the USD14bn organized Food & Grocery market, down from around 49% in 2012. This decrease in the market share of key retailers is because the organized F&G market has seen emergence of regional retailers along with an increase in the number of modern convenience stores in Tier I & II cities resulting last four years.

Future group holds the largest market share with 13% owning to the group having multiple brands followed by D'Mart at 10% and Reliance at 8%. Together, these three retailers contribute to 31% of the overall F&G segment.



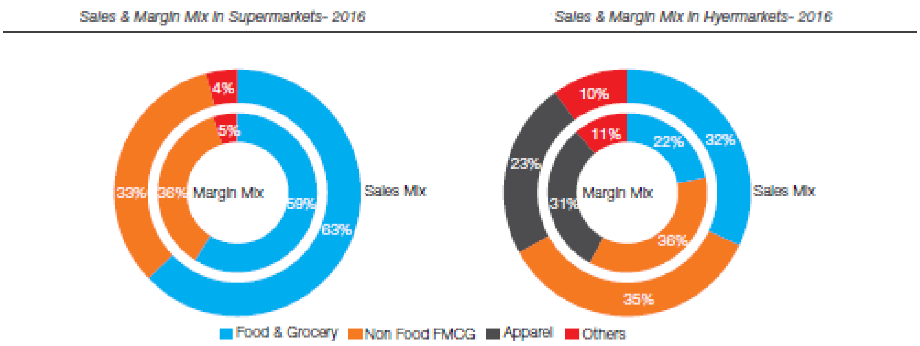
Source: Industry sources, Technopak Research & Analysis
Note: Future Group includes the following brands- Big Bazaar, Easyday, Food Bazaar, Nilgiri's, KB's Conveniently Your's, Reliance includes- Reliance Fresh and Reliance Mart. Others include regional players and other national retail stores like Trent/ Tata Group, The SRS Group, SPAR India, Heritage, M.K. Retail etc. Year Mentioned is FY

<u>Revenue of Key Players: FY 2012 and FY 2016</u>

Group	Brands	Format	Presence	Revenue (INR Cr.)- FY 2012	Revenue (INR Cr.)- FY 2016
Future Group	Big Bazaar	Hypermarket	National	4,400	11,000*
KB's	KB's Conveniently Yours	Supermarket/ Convenience Store	National	170	
Nilgiri's	Nilgiri's	Supermarket/ Convenience Store	Regional	115	
Bharti Group	EasyDay Hyper	Hypermarket	National	510	
	EasyDay	Supermarket/ Convenience Store	National		
Reliance	Reliance Mart & Reliance Super	Hypermarket	National	2,600	6,650
	Reliance Fresh	Supermarket/ Convenience Store	National		
Aditya Birla Retail	More Megastore	Hypermarket	National	1,400	1,850
	More	Supermarket/ Convenience Store	National		
CESC limited	Spencer's Hypermarket	Hypermarket	National	1,200	1,850
	Spencer's Supermarket	Supermarket/ Convenience Store	National		
K Raheja Corp	Hypercity	Hypermarket	Emerging National	500	1,025
Avenue Supermarkets	D'Mart	Hybrid Supermarket	Emerging National	2,350	8,650

Source: Industry sources, Company reports, Secondary Research, Technopak Research & Analysis
*Note: * Store count of Big Bazaar also includes stores of Foodhall, Food Bazaar, KB's, Nilgiri's and EasyDay. Year mentioned is FY*
Revenue of players estimated based on average area and sales per square feet

Sales and Margin Mix



Source: Industry sources, Technopak Research & Analysis
Note: Year mentioned is FY, Others include- accessories, smart electronics and other categories which are other than the mentioned

Supermarkets and hypermarkets work on two different models to attain profitability and productivity. Supermarkets focus more on high sales productivity with low margin products whereas hypermarkets focus on large volumes with a mix of high margin and low margin products. The low margin products along with discounting are used as a tool to increase footfalls and throughput whereas other categories help in gaining better profitability for hypermarkets.

Food and Grocery contribute to around 60% to 65% of the category mix in supermarkets followed by Non-Food FMCG at 15% to 20%. The general merchandise contribution to sales is around 10% to 15%. High dependency on F&G category results lower margins for supermarkets. The profitability of these formats can be attributed to high efficiencies.

The sales mix of hypermarkets is different from supermarkets due to presence of several categories which the supermarkets do not have, even though a considerable contribution of sales is from Food & Grocery category. Food and Grocery contribute to around 30 to 35% of the category mix followed by General Merchandise at 20% to 25%. The Non- Food FMCG contribution to sales is around 15% to 20%. The higher mix of other categories, with higher margins is the key reason for greater profitability of hypermarkets.

Average Gross Margins for Retailers across Different Categories: FY2016

Gross Margin Benchmarks	Industry Average
Food and Grocery*	12-25%
Apparel*	30-50%
Non-Food FMCG*	12-35%
General Merchandise	25-30%
Accessories	20-45%
Furniture & furnishing	30-40%
Footwear*	30-55%
Smart Electronics	7-16%
Others	23-27%

Source: Industry sources, Secondary Research, Technopak Research & Analysis
Note: Average gross margins of retailers is across various categories is calculated based on: Total sales value- COGS
** Gross margin range depicts both the brand and private level mix in the product offering.*

Category Mix & Gross Margins for Key Retailers: 2015-2016

Category Mix- Supermarkets				Gross Margin Mix- Supermarkets		
Players	Food & Grocery	Non Food-HPC	Others	Food & Grocery	Non Food-HPC	Others
D'Mart	52%	21%	27%	N/A	N/A	N/A
Reliance Fresh	58%	39%	3%	55%	42%	3%
More	66%	28%	6%	60%	33%	7%
EasyDay (Future Group)	72%	26%	2%	70%	27%	3%
Nilgiri's (Future Group)	70%	26%	4%	65%	30%	5%
KB's Conventially Yours (Future Group)	63%	34%	3%	62%	35%	3%
Spencer Supermarket	59%	38%	3%	54%	43%	3%
Food Bazaar (Future Group)	61%	32%	7%	59%	31%	10%
Star Market	64%	32%	4%	63%	33%	4%
Key Regional Players	58%	40%	2%	56%	42%	3%

Source: Industry Sources, Technopak Research & Analysis

Profitability

With rising consumption, the overall F&G segment is growing and will continue to grow. Currently, the EBITDA of retailers ranges between 2% to 7%. To become more profitable, retailers are trying to streamline their business in terms of store size and operational efficiencies. The retailers are focusing: on the following rationalizing space for better productivity, reconsidering category mix and inventory based on location and demand for a better throughput and rationalizing manpower.

Key Success Factors

- *Owning real estate to control costs*: Key international retailers like Wal-Mart, Costco and IKEA and Indian retailers like D'Mart have been doing this and thus have been able to control operational costs.

- *Multi-channel initiation*: Maturing and mature e-tail markets have increasingly seen B&M retailers becoming significant players in the e-tail space.

- *Multi-channel play*: Multi-channel play for retailers in India is a strong growth opportunity. These retailers can immediately bring the experience of merchandising, range building, product development, and other valuable operational experience of retailing that current pure play e-tailers struggle with.

- *Customisation*: Curating the merchandise in terms of customization for local catchment and pricing in line with the target segment are key areas to focus for sustained growth.

- *Footfalls*: Looking for newer ways to increase footfalls.

- *Supply Chain*: Investment in supply chain design and capabilities with pan-India operations to leverage many monetizing opportunities with a multi-channel operation.

- *Inorganic Growth*: Acquisitions for value-creation in terms of expanding market reach, rapid expansion, acquiring regional know-how, technology and skills. Giants like Wal-Mart, Sainsbury, Costco, Future Group, Aditya Birla, Spencer's have acquired business of other retailers to enhance their capabilities in terms of reach in the B&M and e-tailing segments.

E-tailing in India

E-tail in India is on a rapid growth trajectory and is expected to reach 8% to 9% of total retail by 2025. E-tail in India is expected to mirror the growth witnessed in China owing to: a) low penetration of organized retail; and b) dominance of web-only e-tailers. Technopak estimates this opportunity to reach 8% to 9% (USD135bn to USD155bn) of retail by 2025.

India's E-tail penetration in Key Categories

E-tail penetration of Key Categories

	FY 2016			FY 2020 (P)		
Categories	Retail Size US$ bn	E-tail Size US$ bn	E-tail Penetration	Retail Size US$ bn	E-tail Size US$ bn	E-tail Penetration
Electronics	35	5.25-5.95	15%-17%	63	15.8-26.5	25%-42%
Apparel & Lifestyle	49	2.9-3.45	6%-7%	74	10-14.8	13.5%-20%
Home & Living	26.5	0.53	2%	41.75	3-5.85	7.5%-14%
Food & Grocery	413	0.12	0.03%	634	1.2-2.85	0.2%-0.45%
Overall Market	616	12.3	2%	960	38.5-57.5	4%-6%

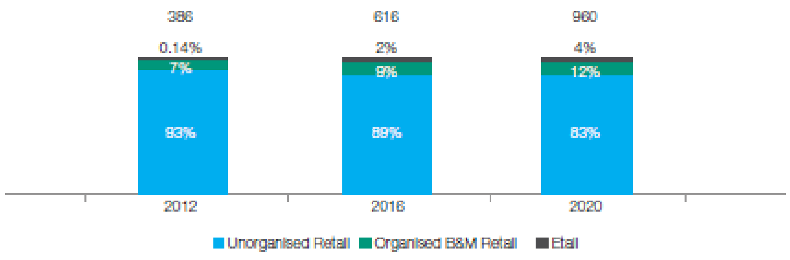
Source : Secondary research, Industry reports, Technopak Research & Analysis

In 2012, the e-tail market size was only USD0.6bn with the then key categories like electronics, books, stationery, and music catering to nearly 50% of the market share. Currently, e-tail market in India is 2% (USD14bn) of the overall retail market and is projected to be 4% to 6% (USD 43bn to USD 65bn) of the overall retail market by 2020.

Consumer electronics, being a highly standardized 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. However, share of electronics may come down and newer categories like home and living and F&G are likely to gain market share.

Retail Share Across Organized B&M Retail and E-tail

Retail Share Across Traditional Retail Organized B&M and E-tail



Source: Technopak Research & Analysis

In relatively mature markets like USA where organized retail penetration is high, multi-channel retail chains lead the online market. In a relatively newer market like China (with 20% organized retail market), pure play e-tailers lead the online market. India is likely to go the China way in terms of web-only players dominating the online market given the low organized retail penetration (around 9%).

The growth in e-tail is driven by improvement in mobile and internet penetration, increasing number of internet habituated consumers, improved supply-side and limitations of organized brick & mortar stores. The evolution of e-tail in India is marked by the dominance of web-only players. The early years of the new millennium saw launch of several e-tailing sites like Rediff and Indiaplaza. E-tailing was initially to provide products online without any specific focus on customer service and experience. The defining moment in Indian e-tail occurred with the entry of e-tailers like Flipkart and Myntra in 2007.

E-Tailing in India - Category Dynamics and Way Forward on F&G

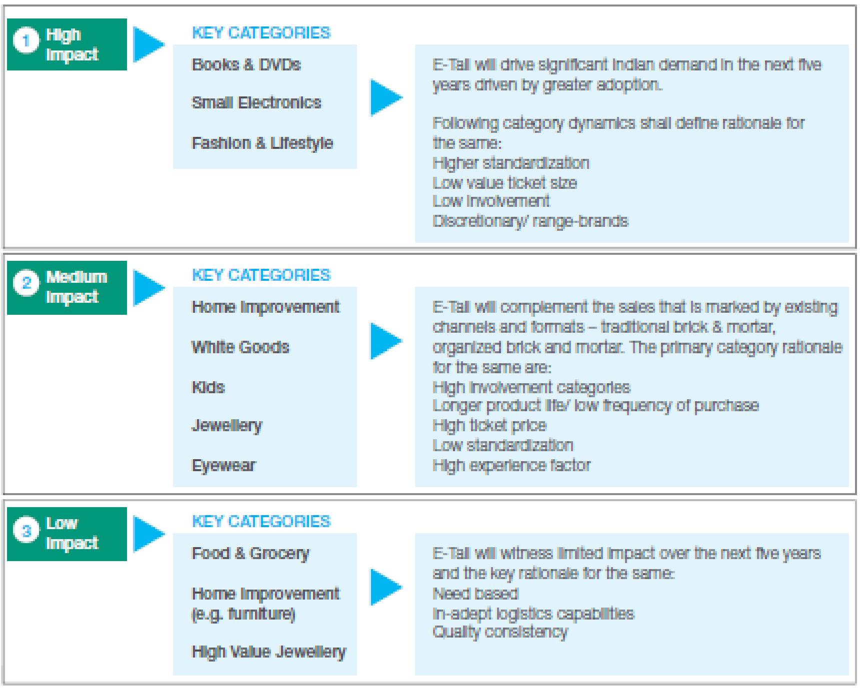
Different categories (and sub-categories) will be impacted differently by e-tailing depending on category dynamics and purchase behavior. Factors and key differentiators that shall render the category more or less suited to e-commerce are:

- Supply Chain & Logistics
- Perishability
- Cyclicity
- Installation
- Service Support
- Positioning
- Customization

Based on the above analysis, the impact across categories is expected to emerge across the following pillars of growth:

1. High Impact: Marked by categories that will shift to online channel rapidly;
2. Medium Impact: Categories that will need support before they witness rapid adoptions on the online channel; and
3. Low Impact: Categories that will move slowly to online compared to the High and Medium impact categories.

E-Tailing in India - Category Dynamics



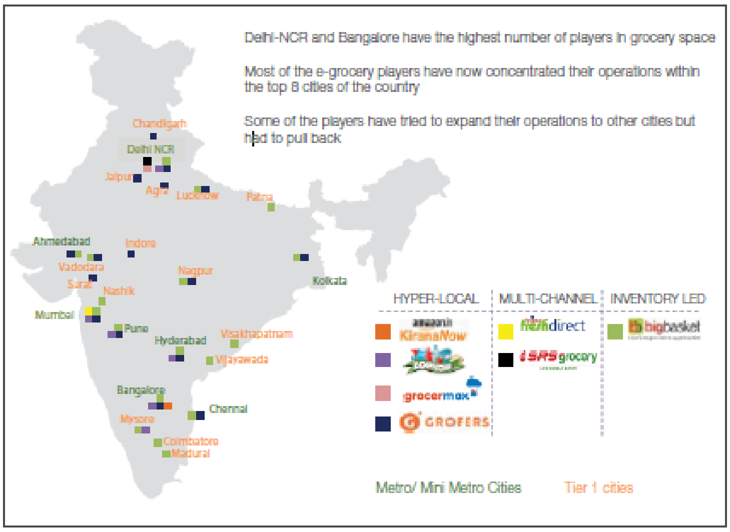
Impact of E-Tailing on F&G Segment

E-commerce the world over and in India continues to work on the model that can allow smooth transition of Food and Grocery online. However, it takes time and sustained deployment of human and financial resources.

In 2016, Food and Grocery comprised less than 4% of the total share of world's e-commerce size. In India as well, the share of F&G in e-commerce continues to be under 5% and is small at less than 1% of the overall e-tail market which will continue to be under 10% (3% to 5%) of the total projected e-commerce size in 2020.

The market is currently concentrated in the top 8 cities and is led by NCR and Bangalore and top three players - Bigbasket, Grofers and Amazon Now, who capture a majority with 75% of the groceries space.

E-Tailing- F&G Market in India



Source: Technopak Research & Analysis

F&G e-tailers will continue to leverage the gained traction within these top cities. However, going forward, over the next 5 years, it is expected that F&G e-tailing may achieve good traction in the top 20 cities provided the players involved stabilize the right business model.

These players will need to figure out their proposition and business model to grow beyond these cities. Consumers tend to not face time paucity and travel challenges in smaller cities to make a trip to the popular local market for regular daily shopping. Furthermore, the leading general merchandise retailers within these cities also deliver to the home. Online players are likely to find it a challenge to change these shopping habits.

Potential Profitability Drivers

Growth of Private Label

Organised retail growth is being driven by a rise in disposable income and a youth-dominated demography. Organised retailers have aimed to create a niche for their brand in the Indian market by continuing to invest and grow the private label business. Acceptance of private labels continues to increase across product categories including food and non-food FMCG, apparel and consumer durables.

Growth of private labels is due to higher margins, greater customer loyalty, clear product differentiation and higher bargaining power with suppliers. While globally, the general merchandise retailers operate at a private label mix of around 35%, the corresponding figure for the Indian retail industry currently stands at approximately 20%. Private labels are expected to continue to grow in the Indian retail industry.

Optimum Store Size

General merchandise retailing will succeed by scaling up optimum store sizes along with suitable locations and an appropriate merchandise mix. With increasing experience, retailers in India will also develop a model for optimum store size, a concept mainly applicable to organized retail. This will reduce the store launch time and improve the various success factor of a store such as sales per square feet per day (SSPD) and operational cost.

Globally as well, being located at a strategic location allows convenience stores to generate significant sales volume, while keeping their operational costs low. During 2010-15, the largest global retailer Wal-Mart closed 409 mid-sized discount stores and opened 315 small format convenient stores, leading to an improvement in certain metrics such as Net Present Value (NPV) and Internal Rate of Return (IRR).

In the Indian general merchandise retail segment, two formats are emerging – mid-size or compact hypermarkets with an area of 20,000 – 30,000 sq. ft.; or supermarkets with an area of 3000-4000 sq. ft. This allows focus on key categories and clusters rather than on spread across categories. Retailers in India are looking at smaller but efficient store size across formats as large floor plates in high potential catchments is difficult to get due to limited availability and high rentals.

Growth in Food Processing

The food processing sector in India, accounting for around 32% of the total food industry is currently estimated to be approximately USD83bn, growing at a rate of 8.4%.

Processed food has gained shelf space in a majority of retail formats; this is poised to continue to increase in the future. Further, processed food is not restricted to imported segments only but now also includes staples, FMCG, F&V, Dairy and Frozen & Meat categories. Indian retailers are increasingly launching processed foods as private labels.

Key Government Initiatives

Unified Taxation Regime

GST will remove the indirect tax regime, replacing a large number of indirect taxes and duties levied by the Central Government and State Governments with three types of GST (central, state and integrated GST) and basic customs duty for imports. This will provide for a single, uniform mechanism of levying indirect taxes. It will integrate the country into a common market by introducing a uniform set of rules that will replace the current barriers to inter-state trade. GST will be levied on buyers of goods and services at the point of consumption.

The current indirect tax regime requires businesses to operate warehouses across the country to avoid the central sales tax incidence. Under the GST regime, every interstate transfer will be levied IGST irrespective of the nature of transfer, thus eliminating the need to operate multiple warehouses across the country.

It is expected that the unified tax regime will afford tremendous benefit to retailers on interstate movement and sourcing. Decisions on warehouses will be taken on purely commercial considerations rather than based on tax impact. Retailers will be in a position to better design the movement of goods to the stores deploying hub and spoke methods, making sourcing and supply chain processes more efficient and cost effective.

GST will benefit both suppliers and consumers as its introduction will remove cascading effect of the taxation and provide for a common market. GST will be charged at each stage of value addition and the supplier will be able to offset the tax through a tax credit mechanism. Businesses are bound to benefit owing to the free flow of credits, no multiple taxation and lower compliance costs.

OUR BUSINESS

This section should be read in conjunction with the sections"Risk Factors","Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" beginning on pages 13, 167 and 161, respectively. Our Restated Financial Information for the Fiscals 2014, 2015 and 2016 included in this Draft Red Herring Prospectus is prepared in accordance with the Companies Act and restated in accordance with the SEBI Regulations. Further, with effect from April 1, 2016, we are required to prepare our financial statements in accordance with Ind AS. References to "restated" below are to our Restated Consolidated Financial Information for the Fiscals 2014, 2015 or 2016. All figures in this section are on a consolidated basis, unless specified otherwise.

Overview

We are an emerging national supermarket chain, with a focus on value-retailing. According to Technopak, in Fiscal 2016 our Company was one of the largest and the most profitable F&G retailer in India. We offer a wide range of products with a focus on the Foods, Non-Foods (FMCG) and General Merchandise & Apparel product categories.

We opened our first store in Mumbai, Maharashtra in 2002. As of September 15, 2016, we had 112 stores with Retail Business Area of 3.40 million sq.ft, located across 41 cities in Maharashtra (58), Gujarat (26), Telangana (13), Karnataka (7), Andhra Pradesh (3), Madhya Pradesh (3), Chhattisgarh (1) and NCR (1). At the end of Fiscals 2014, 2015 and 2016, we had 75, 89 and 110 stores with Retail Business Area of 2.14 million sq. ft., 2.66 million sq. ft. and 3.33 million sq. ft., respectively. We plan to deepen our store network in southern and western India and gradually expand our network in other parts of India pursuant to our cluster-focused expansion strategy.

For Fiscal 2016, Maharastra contributed a majority of our Revenue from Sales (62.57%) followed by Gujarat (18.83%), Telangana (10.15%), Karnataka (6.14%) Andhra Pradesh (1.03%), Madhya Pradesh (0.85%) and Chattisgarh (0.43%).

We operate and manage all our stores. We operate predominantly on an ownership model (including long-term lease arrangements, where lease period is more than 30 years and the building is owned by us) rather than on a rental model. We open new stores using a cluster approach on the basis of adjacencies and focusing on an efficient supply chain, targeting densely-populated residential areas with a majority of lower-middle, middle and aspiring upper-middle class consumers.

We operate distribution centres and packing centres which form the backbone of our supply chain to support our retail store network. As of September 15, 2016, we had 21 distribution centres and six packing centres in Maharashtra, Gujarat, Telangana and Karnataka.

Our business approach is to retail quality goods at competitive prices. The majority of products stocked by us are everyday products forming part of basic rather than discretionary spending. We endeavor to minimise our operating costs in several ways such as owning underlying real estate or entering into long-term lease arrangements for a majority of our stores in order to minimise rental costs, procuring goods directly from vendors and manufacturers, employing an efficient logistics and distribution system and maintaining a strong focus on product assortment to minimise inventory build-up, supported by efficient store operations.

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

We classify our products under the following categories:

- *Foods*: This category includes staples, groceries, fruits & vegetables, snacks & processed foods, dairy & frozen products, beverages and confectionery. In Fiscals 2014, 2015 and 2016, this category constituted 53.28%, 52.84% and 53.06% , respectively of our Revenue from Sales.

- *Non-Foods (FMCG)*: This category includes home care products, personal care and toileteries and other over the counter products. In Fiscals 2014, 2015 and 2016, this category constituted 21.49%, 21.22% and 20.58%, respectively of our Revenue from Sales.

- *General Merchandise & Apparel*: This category includes bed & bath products, home appliances, furniture, crockery, utensils, plastic goods, garments and footwear. In Fiscals 2014, 2015 and 2016, this category constituted 25.23%, 25.94% and 26.36%, respectively of our Revenue from Sales.

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 daily produce updated information to support our business. 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.

We have witnessed steady growth in our total number of bill cuts. Our total number of bill cuts, on a standalone basis, was 53.40 million, 67.17 million and 84.68 million, respectively for Fiscals 2014, 2015 and 2016. During the same period, our average Revenue from Sales per store was ₹623.41 million, ₹721.87 million and ₹778.68 million and our Revenue from Sales per Retail Business Area sq. ft. was ₹23,419, ₹26,388 and ₹28,136, respectively. We have registered LFL growth of 26.06%, 22.43% and 21.49% for Fiscals 2014, 2015 and 2016, respectively. Like for Like (LFL) growth is a measure of growth in sales, adjusted for new or divested business. LFL growth means the growth in revenue from sales of same stores which have been operational for atleast 24 months at the end of a Fiscal.

Our total revenue grew at a Compounded Annual Growth Rate (CAGR) of 35.28% from ₹47,023.25 million in Fiscal 2014 to ₹86,061.05 million in Fiscal 2016. Our net profit after tax, as restated, grew at a CAGR of 41.08% from ₹1,613.72 million in Fiscal 2014 to ₹3,212.07 million in Fiscal 2016.

Key Strengths

We believe the following are our key strengths:

Value retailing to a well defined target consumer base

Our business model is based on the concept of offering value retailing to our customers using the EDLC/EDLP strategy. The EDLC/EDLP strategy is based on offering low prices on an everyday basis by achieving low procurement and operations cost rather than as special promotion limited to certain products or to a particular day, week or any other specific period in the year.

Our customer acquisition and retention strategy is targeted at lower-middle, middle and aspiring upper-middle income consumers. We believe that getting value for money is the most compelling factor in daily shopping decision-making for these income groups. The majority of the products stocked by us are essential products forming part of basic rather than discretionary spending, due to which we believe that our business is not materially affected by seasonality or temporarily depressed macro-economic conditions.

The EDLC/EDLP strategy requires us to minimise our costs of procurement, supply and operation to achieve low prices for our customers on a daily basis. We focus on providing such low prices across our product categories and product sub-categories within these categories everyday rather than on a particular day of the week or any specific period of the year.

We typically follow our pricing strategy for all our products, relying on our strong supplier network, efficient supply chain management for procurement and careful product assortment. We believe that these measures help us in being recognised as a one-stop retail store chain for daily needs at value for money prices.

Steady footprint expansion using a distinct store acquisition strategy and ownership model

Our business has grown rapidly in recent years, primarily through expansion of our store network from one store in 2002 to 112 stores as of September 15, 2016 across eight states in India, concentrated in western and southern India. Key highlights of our expansion in the last five Fiscals are set out below:

Parameter	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016
New stores opened in Fiscal	10	7	13	14	21
Cumulative number of stores	55	62	75	89	110
Retail Business Area at Fiscal end (in million sq. ft.)	1.55	1.76	2.14	2.66	3.33
Revenue from Sales per Retail Business Area sq. ft. (in ₹)**	15,324	20,116	23,419	26,388	28,136

***Annualised Revenue from Sales calculated on the basis of 365 days in a year (on standalone basis) divided by Retail Business Area at the end of the Fiscal.*

We have expanded our footprint using a cluster-based approach. We have strengthened our existing presence in certain regions by opening new stores within a radius of a few kilometers of our existing stores and distribution centres. This has ensured the creation of a cluster of stores within a region in which we believe, we have developed a better understanding of local needs and preferences and enabled us to tailor our offering. Such clusters have also led to increased penetration and presence in under-served markets, higher cost efficiency due to economies of scale achieved in our supply chain and inventory management, and greater and concentrated brand visibility due to focused implementation of marketing and advertising initiatives.

The state-wise break-down of the number of our stores is as follows:

State	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016
Maharashtra	34	40	46	50	58
Gujarat	14	14	17	22	26
Telangana*	4	5	7	9	13
Karnataka	3	3	5	5	6
Andhra Pradesh	-	-	-	1	3
Madhya Pradesh	-	-	-	1	3
Chattisgarh	-	-	-	1	1
Total	**55**	**62**	**75**	**89**	**110**

**Telangana was part of Andhra Pradesh till June 1, 2014.*

While expanding our network, we have carefully chosen the location of our stores within our clusters of stores and distribution centres. In the process of opening new stores, we take various factors into account, including population density, customer traffic and vehicular traffic, customer accessibility, potential growth of the local population and economy, area development potential and future development trends, estimated spending power of the population and local economy and payback period, estimated on the basis of expected sales potential, strategic benefits, proximity and performance of competitors and store site characteristics. We have largely kept the layout and design of our stores consistent and predictable to make shopping with us easier.

We have posted consistent growth in our ROE despite owning the real estate underlying several of our stores. We believe that owning the real estate on which our stores are built or entering into long-term lease arrangements has helped us control our fixed costs per store. Other than the rental savings, which is partially offset by higher capital and capital servicing costs, we believe that ownership (including long-term leases) of our stores provides us with significant long-term competitive advantage.

Deep knowledge and understanding of optimal product assortment and strong supplier network enabling procurement at predicable and competitive pricing, leading to an overall efficient cycle

We sell a wide range of goods and merchandise across our product categories. We focus on using our deep knowledge of the clusters and regions in which we operate to customise our product assortment in each store keeping in mind local demands and preferences.We also continuously focus on enhancing the goods and merchandise we carry.

Our procurement team conducts detailed research on an ongoing basis to locate the best product sources, in relation to both quality and price. We have an extensive network of suppliers and we endeavour to source our products from regions where they are widely available or manufactured to minimise our procurement costs. We operate a standardised procurement system and procure most of our products on a purchase-order basis ensuring procurement flexibility at competitive prices.

We have a wide network of vendors and suppliers across the country. Our sustained efforts to improve our strong supplier network have led to an efficient supply and sale cycle. Further, we endeavour to pay our suppliers on time and are often able to procure discounts for such prompt payment.

High operating efficiency and lean cost structures through stringent inventory management using IT systems

We have benefitted from our in-depth understanding of local needs and our ability to respond quickly to changing consumer preferences. This has been achieved in part due to our advanced IT systems. We use our IT systems for procurement, sales and inventory management which enables us to identify and quickly react to changes in customer preferences by adjusting our products available, brands carried, stock levels and pricing in each of our stores and effectively monitor and manage the performance of each of our stores.

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, including procurement, sales and inventory control on a daily basis. Our IT systems also support our cash management, in-store systems, logistics systems, human resources and other administrative functions. Our IT systems run on ERP applications and are robust and scalable.

Together with our supply chain management systems and our internal controls to minimise product shortage and the occurrence of out-of-stock situations and pilferage, we are able to operate efficiently and productively with minimal disruptions to our day to day operations. Our Inventory Turnover Ratio (computed by dividing revenue from operations by average inventory, which is an average of opening inventory and closing inventory) was 14.32, 14.03 and 14.18, respectively in Fiscal 2014, 2015 and 2016.

Strong promoter background and an experienced and entrepreneurial management team with a proven track record and a high degree of employee ownership

Our business is consumer-driven. Our strong promoter background and an experienced senior management team have helped us to offer high standards of customer service and a pleasant shopping experience at our stores. One of our Promoters, Radhakishan S. Damani, brings to our Company his vision and leadership which we believe has been instrumental in our success. Our experienced management team and motivated and well-trained employees have enabled us to successfully establish a customer-oriented corporate culture, providing a foundation to maintain and enhance our long-term competitiveness.

Our Board and senior management have a proven track record and an in-depth understanding of the retail business in India and local consumer preferences. Key members of our senior management team including Ignatius Navil Noronha, our Managing Director (who has over 18 years of experience in the FMCG sector) and Ramakant Baheti, our Chief Financial Officer and an Executive Director on our Board (who has over 19 years of experience in the finance function) are dedicated to the sustainable growth of our business and have been with us for several years. We believe that our stable, senior management team has helped us successfully implement our development and operating strategies and provide quality service to our customers over the years.

We also believe that our employees have been an important factor in our success as the quality and efficiency of the services we provide are dependent on them. We have followed transparent management policies and have implemented employee stock option schemes over the years. Many of our present and past employees hold Equity Shares in our Company.We believe in continuous development and have invested in our employees through regular training programmes to improve skills and service standards, enhance loyalty, reduce attrition rates and increase productivity.

Strong track record of growth and profitability

According to Technopak, in Fiscal 2016, our Company was the largest and the most profitable F&G retailer in India. Our total store count has grown from 75 in Fiscal 2014 to 110 in Fiscal 2016.

As we have expanded our store network from one store in 2002 to 112 stores as of September 15, 2016, we have grown steadily in the recent years. Our total bill cuts, on a standalone basis, increased from 31.84 million in Fiscal 2012 to 43.07 million in Fiscal 2013, 53.40 million in Fiscal 2014, 67.17 million in Fiscal 2015 and 84.68 million in Fiscal 2016, respectively.

We have registered LFL growth of 20.28%, 31.63%, 26.06%, 22.43% and 21.49% for Fiscals 2012, 2013, 2014, 2015 and 2016, respectively.

We have generated strong cash flows from operations for the last five Fiscals.This has enabled us to further invest in our business. Our liquidity position enables us to consistently pay our suppliers on or before the due date, allowing us to benefit from supplier discounts.

We have a strong track record of revenue growth and profitability. Our total revenue has grown at a CAGR of 40.28% from ₹22,224.09 million in Fiscal 2012 to ₹86,061.05 million in Fiscal 2016. Our net profit after tax, as restated has grown at a CAGR of 51.85% from ₹604.06 million in Fiscal 2012 to ₹3,212.07 million in Fiscal 2016.

Our Strategies

Further strengthen our market position by expanding our store network in existing clusters as well as new clusters

We intend to further enhance our position in the retail supermarket business in Maharashtra and Gujarat by increasing our market penetration and expanding our store network in these states. We also intend to strengthen our store network in Andhra Pradesh, Telangana, Madhya Pradesh, Karnataka, Chhattisgarh, Tamil Nadu and northern India. We also opened a new store in Ghaziabad, NCR in June, 2016. We propose to utilise a portion of the Net Proceeds for setting up new stores aggregating to a built-up area of 2,100,000 sq. ft. over Fiscals 2018, 2019 and 2020. For further details, see "*Objects of the Issue*" from page 88 to 90.

With over a decade of experience and successful growth, we believe that we are well-positioned to take advantage of the growth potential and opportunities offered by many states in western, southern, central and northern India.

Our total store count grew from 75 in Fiscal 2014 to 110 in Fiscal 2016 while our Retail Business Area grew from 2.14 million sq. ft. to 3.33 million sq. ft. over this period. Increasing our penetration in existing cities with a greater number of stores will enable us to penetrate into new catchment areas within these cities and optimize our infrastructure. Enhancing our reach to cover additional cities will enable us to reach out to a larger population and become a preferred shopping destination for their daily needs.

The key factor affecting the expansion of our stores is the selection of suitable locations. We will continue to adopt a methodical and approach in evaluating and selecting suitable locations for the establishment of new stores, such as local population density, accessibility and proximity to our competitors. For further information on our site selection criteria and process, see "*Our Business – Store Operations*" on page 128. In order to optimise our profitability, maintain our operational flexibility and ensure that our stores continue to be located in densely populated neighbourhoods and residential locations, we intend to continue our flexible strategy of owning or leasing our premises according to availability, cost and other considerations.

Enhancing sales volumes by continuing to prioritise customer satisfaction through optimal product assortment and offering value for money using EDLC/EDLP strategy

Our strategy is to provide our customers with a comprehensive range of products at value for money prices and maintain optimal customer service standards. In order to maintain and enhance our competitive position, we will continue to offer our products at everyday low prices achieved through our low procurement, supply, operational and other costs.

We will continue to focus on optimal product assortment in each cluster of our operation keeping in mind the local needs and preferences. We plan to leverage our knowledge of consumer spending patterns and behaviour and rely on the data available to keep abreast of changes in consumption behaviour. We will continue to introduce new products depending on customer needs at one or several of our stores. We believe a continuous review of our merchandise according to our evolving understanding of customer preferences will help us better cater to our customers' needs, enhance their shopping experience and maximise our sales.

Shopping is considered a family activity in many of our markets. We endeavour to provide a one stop shopping experience. All our stores are air conditioned and we aim to provide a pleasant ambience and functional store layout. We have installed computerised billing points coupled with convenient payment options including, credit and debit cards, which provide greater flexibility and convenience to our customers. We intend to improve our customers' shopping experience by improving the checkout time and to continue to undertake periodic renovation of our stores.

Continue improving our operating efficiency and supply chain management

Our business model and pricing strategy require us to maintain high levels of operational efficiency on a consistent basis. Further, we believe that supply chain management is critical to our business. Our supply chain management involves planning, merchandising, sourcing, standardisation, vendor management, logistics, quality control, pilferage control, replacement and replenishment.

We plan to further improve our operating efficiency and ensure efficient supply chain management by:

- continuing to refine our store operating systems based on the performance of our stores and feedback from our customers and local management teams;
- investing further in our IT and data management systems to improve productivity and time savings thereby increasing our operating efficiency;
- continuing to strengthen our relationships with our suppliers through cooperation and closer coordination;
- expanding and upgrading our existing distribution centres to improve the efficiency of our inventory and supply management. We will continue to open new distribution centres in strategic locations to serve our existing and new stores when it is cost effective and efficient to do so; and
- continuing to absorb best industry practices.

We believe that owning the real estate for majority of our stores helps us control our fixed costs per store and helps us execute our EDLC/EDLP strategy effectively and we will continue to follow this strategy. We will continue to strive to improve our Fixed Asset Turnover Ratio (computed by dividing revenue from operations by total fixed assets) which was 3.72, 3.96 and 3.95 for Fiscal 2014, 2015 and 2016, respectively.

We intend to scale up and increase our existing distribution centre capability of 21 distribution centres in four states as we expand our store network. Our distribution and logistics set-up will allow us to continue to deliver goods and merchandise to the relevant stores based on orders placed, helping us optimise in-store availability of products.

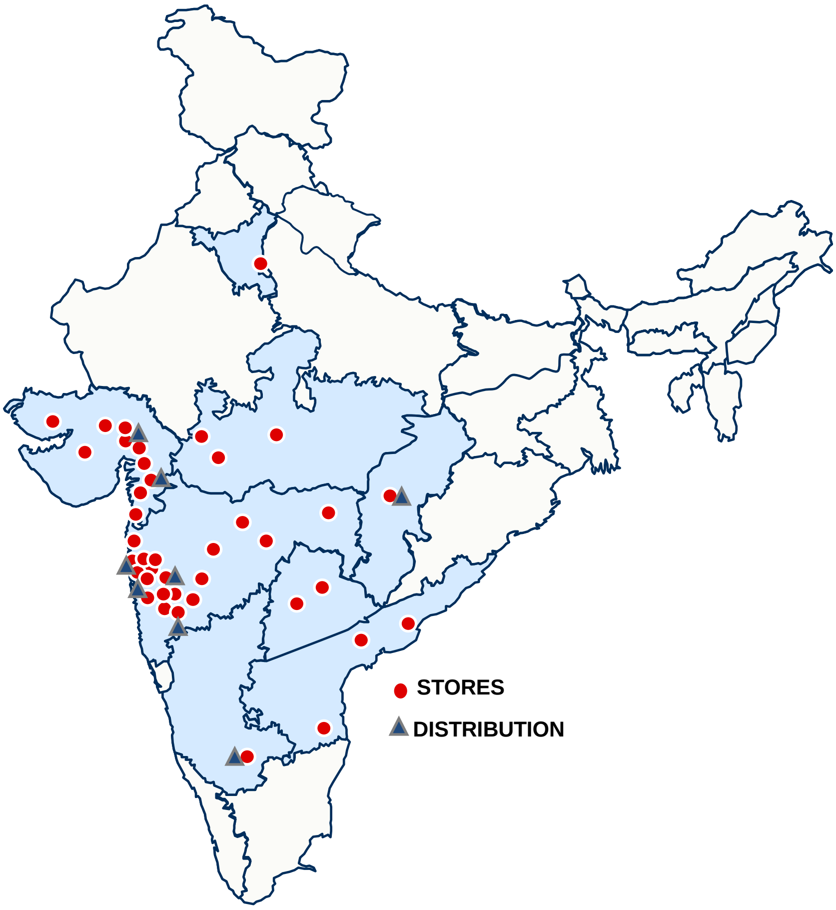
Preserve our corporate culture and values and continue to focus on training

Our employees are critical to our business. We internally assess our employees to periodically identify competency gaps and use development inputs (such as training and job rotation) to address these gaps. We have been successful in building a team of talented professionals and intend to continue placing emphasis on managing attrition and attracting and retaining motivated employees. We have implemented staff training policies and assessment procedures in a transparent and consistent manner in the past and will continue to do so.

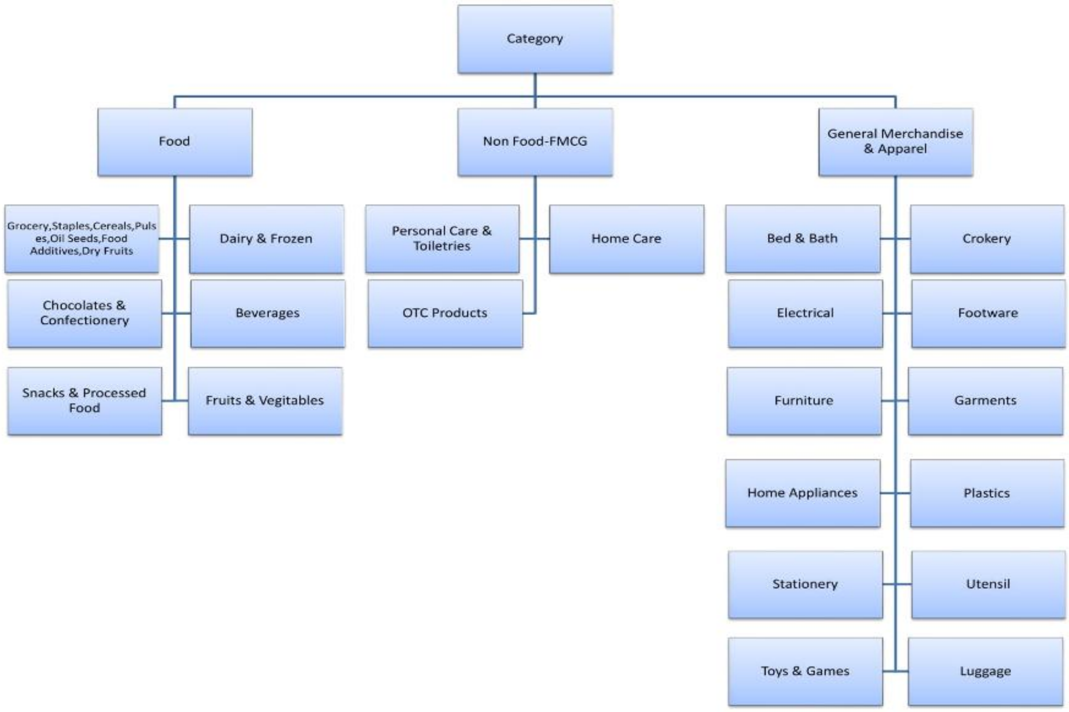
We plan to continue investing in training programs and other resources that enhance our employees' skills and productivity. We will continue to help our employees develop understanding of our customer-oriented corporate culture and service quality standards to enable them to continue to meet our customers'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

We will continue to regularly review and update our employee compensation plans and bonuses based on their individual performance so that our employees are suitably incentivised. We also intend to continuously re-engineer our organisation set up towards lean structure to allow us to respond effectively to changes in the business environment of our markets.

Our Presence



Our Product Categories



Our category-wise Revenue from Sales for the last three Fiscals is as follows:

Product Category	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016
Foods	52.97%	52.95%	53.28%	52.84%	53.06%
Non-Foods (FMCG)	21.02%	21.21%	21.49%	21.22%	20.58%
General Merchandise & Apparel	26.02%	25.84%	25.23%	25.94%	26.36%

We primarily stock products which form part of basic spending rather than discretionary spending. Our product range specifically caters to the demands and aspirations of the lower middle, middle and aspiring upper-middle income groups. We constantly monitor the latest trends and local preferences and tastes of our customers across regions to provide a wide range of products and general merchandise.

Our Stores

As of September 15, 2016, we operated 112 stores in 41 cities in Maharashtra, Gujarat, Andhra Pradesh, Telangana, Karnataka, Madhya Pradesh, Chhattisgarh and NCR with an aggregate Retail Business Area of approximately 3.40 million sq. ft.:

State	No. of stores
Maharashtra	58
Gujarat	26
Telangana*	13
Karnataka	7
Andhra Pradesh	3
Madhya Pradesh	3
Chattisgarh	1
NCR	1
Total	**112**

**Telangana was part of Andhra Pradesh till June 1, 2014.*

We believe that selection of suitable locations for our stores has been critical to our expansion plans. We aim to be an early mover in our target markets to take advantage of the opportunities offered by these under-served regions and actively search for suitable locations. We follow a cluster approach and target densely-populated neighborhoods and residential areas with a majority of lower-middle, middle and aspiring upper-middle class consumers.

Our stores are supported by an appropriate combination of supplies from our distribution centres or through direct procurement from our suppliers to reduce out-of-stock products and transportation costs and increase the selection of merchandise available to our customers. We source most of our merchandise directly from manufacturers and suppliers in order to obtain the most competitive prices.

Our Distribution and Packing Centres

As of September 15, 2016, we had 21 distribution centres in four states.

S. No.	State	Number of distribution centres
1.	Maharashtra	15
2.	Gujarat	3
3.	Telangana	2
4.	Karnataka	1

We believe that our distribution centres have provided us with the following benefits:

- streamline and consolidate certain administrative functions, logistics procedures and human resource requirements from the individual store level into the distribution centre level;
- reduce costs and time by providing centralised procurement for certain products;
- better inventory control with reduced stock shortages in stores due to use of our stock replenishment systems.
- better margins due to efficient supply chain management

As of September 15, 2016, we also had six packing centres to support certain of our distribution centres.

Our Suppliers

We have a strong supplier network enabling flexibility and procurement at the most competitive prices. We endeavour to source our products from the regions where such products are widely available or manufactured, to minimise our procurement costs and endeavour to offer quality products at lowest costs. We have a standardised procurement system that enables us to source quality products through the best possible channels available to us.

Our procurement team conducts detailed research on an ongoing basis to locate the best product sources available, in relation to both quality and price. Our sustained efforts to improve our strong supplier network have led to a significant advantage in procurement leading to an efficient supply and sale cycle.

Our Subsidiaries

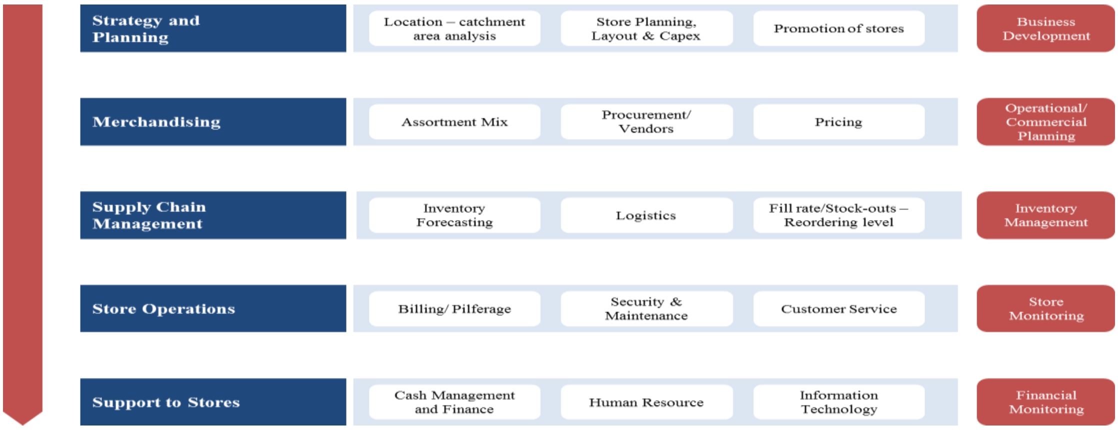
In addition to our retail operations through our stores, our Company has the following subsidiaries:

- *Avenue Food Plaza Private Limited (AFPPL)*: AFPPL is involved in the business of, among others, operating food stalls in our stores. AFPPL recorded a profit after tax of ₹14.80 million in Fiscal 2016.
- *Align Retail Trades Private Limited (ARTPL)*: ARTPL is involved in the business of, among others, inspecting and packing of our private label goods including staples and groceries. ARTPL recorded a profit after tax of ₹4.99 million in Fiscal 2016.
- *Nahar Seth & Jogani Developers Private Limited (NSJDPL)*: NSJDPL is involved in the business of, among others, development of land and construction. NSJDPL owns the real estate underlying our store in Versova, Mumbai. NSJDPL recorded a profit after tax of ₹4.52 million in Fiscal 2016.

Our Associate

Our Company also has an associate company, Avenue E-Commerce Limited (AECL), in which we hold a 49.21% stake. AECL has not yet begun operations. It intends to begin e-tailing of food products and groceries, which may compete with our existing business. For further details, see "*Risk Factors – Our Promoters own a controlling interest in our Associate Company which has competing business objects and may compete with our Company leading to conflicts of interest.* "

Our Business Process



Strategy and Planning

According to Technopak, we are an emerging national supermarket chain. We plan to expand our store network in western, southern and central India and extend our network to cover certain parts of northern India. For each of these regions, we open and operate new stores on a cluster-based approach. When a suitable property in a location we are interested in becomes available on commercially attractive terms, we may further undertake a detailed analysis in relation to opening a new store at such location.

In the process of opening new stores, we take various factors into account, including population density, customer traffic and vehicle traffic, customer accessibility, potential growth of local population, development potential and future development trends, estimated spending power of the population and local economy, profitability and payback period, estimated on the basis of the expected sales potential, strategic benefits, proximity and performance of competitors in the surrounding area and site characteristics and suitability with the specifications of our building plans.

We have in-house business development and project teams, focusing on acquiring properties for our new stores in accordance with our locational needs at reasonable prices and on timely completion of construction and commencement of operations.

We have largely kept the layout and design of our stores consistent and predictable to make shopping with us easier. We believe that adoption of a standard formats for our stores has also helped us in establishing our brand in the markets where we operate.

We undertake promotion of our stores through print media and hoardings. Outdoor advertising such as billboards and hoardings are also employed to advertise and increase visibility. Our advertising strategy aims to promote the "D-MART" brand and not just the merchandise or a particular supermarket store or property location, except specifically targeted local advertising around the time of the opening of a new store. We also advertise on the eve of festivals and certain holidays.

Merchandising

In relation to the Foods category, our procurement is directly from manufacturers or FMCG companies and also through our network of suppliers in the wholesale market. In addition to carrying various brands preferred by local customers in a particular region, we retail private label goods including foods and staples which we buy in bulk quantities and package and brand after our quality checks and inspections. We believe that our merchandising and private labels have helped us differentiate ourselves from our competitors, in addition to achieving good margins. We also sell groceries and staples by weight depending on the availability of space and consumer preferences, both of which may differ from one store to another. We carefully select our suppliers to ensure that we sell good quality products and periodically evaluate our suppliers to ensure that their production standards meet our criteria. As of September 15, 2016, we did not have any material product liability claims against us.

In relation to the Non-Foods (FMCG) category, variants and promotions may be introduced, replaced and withdrawn at regular intervals by their manufacturers over which we have no control. Consequently, we are required to make retailing decisions on a real time basis. We ascertain the demand for various products in this category and monitor the inventory position on a continuous basis, to minimise our stock turnover time. We use internally ascertained, pre-determined stock levels at each store and replenish these with additional purchase requisitions as necessary.

Supply Chain Management

Our stores utilise a computerised inventory management system, which allows us to track the inventory level and movement of our SKUs on a daily basis. Our inventory management system also records specific information in respect of our inventory, such as stock description, merchandise mix and positioning, prices and sales, on an individual store basis. As the inventory management systems of all our stores are synchronised with our distribution centres and offices, we are able to share such information and data on a periodic basis, thereby allowing us to control our inventories effectively across each of our stores. Further, each SKU in our supermarket is coded with a unique bar code, and details of such items are instantly displayed on the screens of our check-out counters when scanned through a barcode scanner. All information on checked out merchandise is stored in our IT systems and available to our offices and distribution centres on a daily basis.

We strive to keep our inventory turnover days for all products to an optimum level. Our supply chain ensures that goods are dispatched in the appropriate quantities and times to reach our stores. The majority of our supply chain relies on transportation services from third parties. The re-order levels for each supermarket store vary and are determined based on a combination of several factors including display levels, lead times for replenishment and average sales. We review these re-order levels on a continuous basis to factor in variances in demand based on seasons and trends.

We place orders with our suppliers based on the results of our analysis of customer demand and product assortment requirements to fit our customers' preferences. We believe that we take a conservative approach in our procurement to minimise expired products on our shelves. Orders are placed based on data generated from our inventory management systems in relation to current inventory levels as well as forecasted and historical inventory and sales data. Given the wide range of products and merchandise we offer in our stores, we do not have standard inventory retention days for our inventories. We closely monitor our inventory levels to ensure that our inventories are fresh by adopting a first-in, first-out policy for all our merchandise.

Store Operations

We have established multiple security checks to control pilferage at our stores. Our employees screen the goods being carried out of the store by customers. Professional security guards oversee the screening process. In addition, we use CCTV monitoring at all our stores.

As a value-retail chain, we emphasise the reduction of cost at various stages and levels. We aim to reduce our operating and administrative costs by way of optimum utilisation of our human and other resources. We determine our staffing requirements on the basis of several factors including store space and footfall intensity. As a measure for optimum utilisation of our space resources, we have adopted an efficient racking system by deploying higher racks to maximize the space available in store. The upper racks are utilised for storage and the lower ones for display.

We have established strict quality control procedures at all of our stores and distribution centres. In particular, we place emphasis on ensuring that our Foods products meets high quality and safety standards. Our stock receiving team at each distribution centre and at each store performs a series of daily checks of Foods products upon delivery. These include checks on appearance, smell, packing, production date, expiry date, net weight and brand logo. For fresh products and dairy products, approval documents and certificates have to be made available to us for verification before we can officially receive the products. Our store managers at each store conduct periodic checks based on such guidelines to ensure high quality standards are maintained. Our commitment to maintaining high quality and safety standards also includes internal regular and random quality checks on our food merchandise based on international standards.

We have an internal control system tailored for managing our multiple product categories to optimize the use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports, and ensure compliance with applicable laws, regulations and company policies. We also have an in-house audit team to conduct internal audits within the group for inventory management, fixed assets, human resources, payroll and statutory compliances.

Support to Stores

Cash represents a significant proportion of our sales proceeds. Payments by our customers at our stores are handled by our cashiers at our check-out counters. We reconcile our cash proceeds received from our sales against receipts recorded in our point-of-sale systems in all of our stores on a daily basis. Cash is deposited in banks through on-site vaults, which are present in many of our stores. Cash is collected from these vaults by the banks' representatives on a regular basis. In other stores, cash is transferred to banks either by our employees or through third-party agents.

As we handle a significant amount of cash every day, we have implemented necessary procedures for the handling of cash in our stores. Our daily cash proceeds are only handled by our cashiers, and surveillance cameras are set up in all of our stores to monitor the cashiers' counters. We also conduct daily checks on our cash proceeds against the records of deposit of cash from the bank and sales reports to ensure that sales are properly recorded by the point-of-sale systems. We believe that there have not been any material internal control deficiencies in our cash management system.

We have also purchased insurance against cash loss by theft or robbery for most of our stores.

We use an integrated and robust IT system specifilally built for us that covers major aspects of our business, including procurement, sales and inventory management, in-store systems, financial management and other administrative systems. Our IT systems provide accurate information across our stores, distribution centres and corporate offices on a daily basis. Our store opening and closing times vary according to their location and local requirements but are typically 10.00 am and 10.00 pm, respectively.

Our advanced IT systems used for procurement, sales and inventory management enable us to identify and quickly react to changes in customer preferences by adjusting our product assortment, stock levels and pricing in each of our stores, and effectively monitor and manage the performance of each of our stores.

Risk Management

Our risk management framework includes our risk management policy approved by our Board. Monitoring and identification of risks is carried out at regular intervals with the aim of improving the processes and procedures involved and to set appropriate risk limits and controls. After risks have been identified, risk mitigation solutions are determined o bring risk exposure levels in line with risk appetite. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and our business activities.

We have a comprehensive risk management system covering various aspects of our business, including operational, legal, treasury, regulatory and financial reporting. Our Board reviews the probability of risk events that may adversely affect the operations and profitability of our business and suggests suitable measures to mitigate such risks.

Human Resources

Our employees include in-store personnel, management, IT and administrative, finance, marketing, procurement and logistics personnel. As of August 31, 2016, we had 4,225 full-time employees. We also employ a significant number of contract employees from time to time depending on business needs. Having a mix of full-time employees and contract employees gives us flexibility to run our business efficiently. For further details, see "*Risk Factors – Our business is manpower intensive and a high proportion of our total staff comprises of employees on contract. Our business may be adversely affected if we are unable to recruit and retain suitable staff for our operations.*" on page 19.

For executive-level employees, certain performance-linked incentives are offered in addition to their fixed salary. Our performance-linked incentives consist of additional remuneration payments determined based on each employee's performance and position. We also instituted employee stock option schemes in 2013 and 2016 for issue of share options to eligible employees. For further details, see "*Capital Structure*" from page 78 to 81.

We believe that our emphasis on training our employees improves our operations and efficiency as well as our customer service standards. It incentivises and encourages our employee loyalty and builds a strong corporate culture. Through our regular in-house training programs, employees not only receive training on areas such as (i) responsibilities to customers on product quality and customer services; (ii) competitive pricing policies; and (iii) the operational procedures of our stores and regular updates on developments in management and market trends.

Competition

The Indian retail market has become increasingly competitive in recent years. We believe the principal bases of competition in India in organised retailing are pricing, range of brands and merchandise and convenience of locations. Our key direct competitors include other organised B&M retailers such as Big Bazaar, Reliance Retail, Spencers, HyperCity, Star Bazaar and unorganised retailers such as local departmental stores, *kirana* shops and others. Each of the aforementioned organised retailers has an established presence in the markets we operate and in some cases across India and each is continuing to open additional stores in the same cities where we have opened or intend to open our stores.

Although we also compete with grocery retail across varying formats, we believe that our business model is different from several such operators, primarily because of our ownership (including long-term leases) of a majority of our stores, careful product assortment and EDLC/EDLP strategy. In addition, although e-tailing is not currently a major part of the retail industry in the markets we operate, we expect competition from e-tailing to increase in the long term as the market develops.

Further, there are few listed supermarket operators in retail sector in India. Key industry names include Future Retail Limited and Trent Limited. We believe that due to the difference in business model and operating segments, these companies may not be direct competitors.

Insurance

We maintain insurance policies customary for our industry to cover certain risks, including fire and other natural and accidental risks at our facilities, money and fidelity insurance, and stock insurance. Additionally, our Company maintains vehicle and marine insurance, mediclaim and contractor's all-risk policy.

We have not currently taken any D&O insurance, cyber crime, corporate general liability or keyman insurance. We have also not taken insurance for all our stores and distribution centres. We believe that our insurance policies and coverage is sufficient for our business and operational needs.

CSR Initiatives

We believe in contributing to the communities in which we operate. While being focused on sustained economic performance, we are also aware of the necessity and importance of social stewardship.

We have a school excellence program through which we aim to develop infrastructure, improve educational facilities and work towards sustainable progress in public schools in selected wards of Mumbai. We work with these schools and seek to implement better teaching facilities (such as libraries and science labs) and develop infrastructure (such as toilets and playgrounds) by working with partner organisations. We hope to improve the quality of education and provide children with better education and development opportunities.

Property

As of September 15, 2016, we owned or had entered into long-term lease arrangements for a majority of our 112 stores. We own the premises where our registered office is located. Our corporate office is on a long-term lease. We do not own the property for majority of our distribution centres. In additon, our Company owns certain properties which have been rented to third parties and Promoter Group entities. For details of certain of these arrangements, see "*Financial Statements*" and "*Our Promoters and Promoter Group*" beginning on page 161 and 151 respectively.

Intellectual Property

Our stores operate under "D-MART" brand in our markets of operation which is registered as a trademark under various classes of products. We have also obtained seven trademarks for various private labels such as "D MART PREMIA" and "D HOMES" and as of September 15, 2016, 41 trademark applications are pending with respect to various private labels. We have also obtained copyright registration for seven of our private labels under artistic work.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

FSS Act

The FSS Act was enacted on August 23, 2006 and came into force on August 5, 2011 repealing and replacing the Prevention of Food Adulteration Act, 1954. The FSS Act seeks to consolidate the laws relating to food and establish the FSSAI for setting out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption.

The standards prescribed by the FSSAI include specifications for ingredients, contaminants, pesticide residue, biological hazards and labels. Under Section 31 of the FSS Act, no person may carry on any food business except under a license granted by the FSSAI. The FSS Act sets forth the requirements for licensing and registering food businesses in addition to laying down the general principles for safety, responsibilities and liabilities of food business operators.

The enforcement of the FSS Act is generally facilitated by 'state commissioners of food safety' and other officials at a local level. Under Section 51 of the FSS Act, any person who manufactures, stores, sell or imports sub-standard food for human consumption is liable to pay a penalty which may extend up to ₹ 500,000. FSS Act has defined sub-standard as, an article of food which does not meet the specified standards but does not render the article of food unsafe. The provisions of the FSS Act require every distributor to be able to identify any food article by its manufacturer, and every seller by its distributor that should be registered under the FSS Act and every entity in the sector is bound to initiate recall procedures if it finds that the food marketed has violated specified standards. Food business operators are required to ensure that persons in their employment do not suffer from infectious or contagious diseases. The FSS Act also imposes liabilities upon manufacturers, packers, wholesalers, distributors and sellers requiring them to ensure that, inter alia, unsafe and misbranded products are not sold or supplied in the market.

Furthermore, in order to address certain specific aspects of the FSS Act, the FSSAI has framed several regulations including the Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011.

The FSSAI has also framed the FSS Regulations which have been operative since August 5, 2011. The FSS Regulations provides the procedure for registration and licensing process for food business and lays down detailed standards for various food products. The FSS Regualtions also sets out the enforcement structure of 'the commissioner of food safety', 'the food safety officer' and 'the food analyst' and procedures of taking extracts, seizure, sampling and analysis.

Legal Metrology Act, 2009 (the "Legal Metrology Act")

The Legal Metrology Act came into effect on January 14, 2010 and has repealed and replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Legal Metrology Act provides that for prescribed specifications for all weights and measures used by an entity to be based on metric system only. Such weights and measures are required to be verified and re-verified periodically before usage through government approved test centres. Under the provisions of the Legal Metrology Act, pre-packaged commodities are required to bear statutory declarations and entities are required to obtain a registration of the instruments used before import of any weight or measure. Approval of model is required before manufacture or import of any weight or measure.

Legal Metrology (Packaged Commodities) Rules, 2011 (the "Packaged Commodities Rules")

The Packaged Commodities Rules was framed under Section 52(2) (j) and (q) of the Legal Metrology Act and lays down specific provisions applicable to packages intended for retail sale, whole sale and for export and import. A "pre-packaged commodity" means a commodity which without the purchaser being present is placed in a package of a pre-determined quantity. The key provisions of the Packaged Commodities Rules are:

- It is illegal to manufacture, pack, sell, import, distribute, deliver, offer, expose or possess for sale any pre-packaged commodity unless the package is in such standard quantities or number and bears thereon such declarations and particulars as prescribed;

- All pre-packaged commodities must conform to the declarations provided thereon as per the requirement of Section 18(1) of the Legal Metrology Act; and

- No pre-packaged commodity shall be packed with error in net quantity beyond the limit prescribed in the first schedule of the Packaged Commodity Rules.

Shops and Establishments Legislations

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Our stores, distribution and packing centres have to be registered under the shops and establishments legislations of the states where they are located.

Drugs and Cosmetics Act, 1940 (the "DCA")

The DCA regulates the import, manufacture, distribution and sale of drugs and cosmetics. In view of the provisions of the DCA, no person can import, manufacture, distribute, stock and sell any drugs and cosmetics, except under the license granted for respective operations by the authority notified under the DCA. The DCA prescribes the standards for purity, identity and strength of drugs and cosmetics while also prohibiting the import of certain categories of drugs and cosmetics. The DCA mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authority.

The Drugs and Cosmetics Rules, 1945 (the "DC Rules") have been enacted to give effect to the provisions of the DCA to regulate the manufacture, distribution and sale of drugs and cosmetics in India. The DC Rules also prescribe the drugs or classes of drugs or cosmetics or classes of cosmetics for the import of which a license is required, prescribe the form and conditions of such licenses, the authority empowered to issue the same and the fees payable therefor. The DC Rules provide for the cancellation or suspension of such license in any case where any provisions or rule applicable to the import of drugs and cosmetics is contravened or any of the conditions subject to which the license is issued is not complied with. The DC Rules further prescribe the manner of labelling and packaging of drugs.

The Essential Commodities Act, 1955 (the "ECA")

The ECA gives powers to the Central Government, to control production, supply and distribution of, and trade and commerce in certain essential commodities for maintaining or increasing supplies and for securing their equitable distribution and availability at fair prices or for securing any essential commodity for the defence of India or the efficient conduct of military operations. Using the powers under it, various ministries/ departments of the Central Government have issued control orders for regulating production, distribution, quality aspects, movement and prices pertaining to the commodities which are essential and administered by them. The State Governments have also issued various control orders to regulate various aspects of trading in essential commodities such as food grains, edible oils, sugar and drugs. Penalties in terms of fine and imprisonment are prescribed under the ECA for contravention of its provisions.

Agricultural Produce Marketing Legislations

The agricultural produce marketing legislations enacted by state governmnets regulate marketing of agricultural, horticultural, livestock products and certain other produce in market areas and establishes market committees for every market area in the state to regulate transactions in agricultural produce. It provides for the organization and composition of committees and their powers and functions which include, granting licenses to operate in the market, provide for necessary facilities in the market area, regulate and control transactions in the market and admissions to the market.

Indian Electricity Act, 2003 (the "Electricity Act")

The Electricity Act was enacted with the objective of transforming the power sector in India. The act covers major issues involving generation, distribution, transmission and trading in power. While some of the sections have already been enacted and are yielding benefits, there are a few other sections that are yet to be fully enforced till date. The Indian Electricity Rules, 2005 made under the Electricity Act provides a framework for periodic inspection and testing of consumer's installations through an inspector appointed under the Electricity Act.

Insecticides Act, 1968 (the "Insecticides Act")

The Insecticides Act regulates the import, manufacture, sale, transport, distribution and use of insecticides with a view to prevent risk to human beings or animals, and matters connected therein. Any person who desires to manufacture or sell or exhibit for sale or distribute any insecticides or undertake commercial pest control operations with the use of insecticides needs to make an application to the licensing officer for the grant of the license. The Act contains various prohibitions regarding the import, manufacture and sale of insecticides.

Consumer Protection Act, 1986 (the "Consumer Protection Act")

The Consumer Protection Act was designed and enacted to provide a simpler and quicker access to redress consumer grievances. It seeks to promote and protects the interest of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers and traders. It establishes consumer disputes redressal forums and courts for the purposes of redressal of investor grievances.

Local Municipal Laws

Our Company is subject to various laws framed by the municipal corporations of the states in which our stores and distibution and packing centres are located, which regulate and require us to obtain licenses for, among others, selling certain kinds of food products, quantity of products which can be stocked, sold and packed and usage of hoardings.

Intellectual Property Laws

Certain laws relating to intellectual property rights such as copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999 are applicable to us.

The Copyright Act, 1957 (the "Copyright Act") governs copyright protection in India. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Act acts as a *prima facie* evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations

The Trademarks Act, 1999 (the "Trademarks Act") provides for the process for making an application and obtaining registration of trademarks in India. The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label, heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks.

Foreign Investment Laws

We are also governed by foreign exchange related laws and the regulations applicable on investments outside India including FEMA and the rules made thereunder.

By way of Press Note 8 (2015 series) ("Press Note 8"), the Government of India has introduced composite caps for simplification of FDI policy to attract foreign investments. Clause 5(e) of Press Note 8 (also included in the FDI Policy of 2016) provides that irrespective of the sector being under automatic route or the government approval route, portfolio investment of up to aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, as the case may be, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indians to non-resident entities.

Clause 5.2.15.4 of the FDI Policy provides that FDI of up to 51% is allowed in multi brand retail trading under the Government route. The FDI Policy also provides certain conditions with respect to FDI in multi brand retail trading. One of the conditions indicate that the FDI policy on multi brand retail trading is an enabling policy only and State Governments and union territories would be free to take their decisions in regard to implementation of the policy.

Other Indian laws

In addition to the above, our Company and our Subsidiaries are also governed by laws in relation to Indian Foreign Trade Policy, 2015-2020, under which no export or import can be made by a person without an Importer and Exporter Code unless such person is specifically exempted.

The tax related laws that are pertinent include the Central Excise Act, 1944, the Income Tax Act, the Income Tax Rules, the Customs Act, 1962, the Central Sales Tax Act, 1956, Wealth Tax Act, 1957, Central Excise Tariff Act, 1985, Customs Tariff Act, 1975, state legislations for tax on professions, trades and callings and employment, local body taxes imposed by local municipalities, state VAT regulations, and Finance Act, 1994 and various applicable service tax notifications and circulars.

A wide variety of labour laws are also applicable to our Company and our Subsidiaries, including the Contract Labour (Regulation and Abolition) Act, 1970, Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employees' State Insurance Act, 1948, the Industrial Disputes Act, 1947 and Industrial Disputes (Central) Rules, 1957, Maternity Benefit Act, 1961, Minimum Wages Act, 1948, Payment of Bonus Act, 1965, the Payment of Gratuity Act, 1972, Payment of Wages Act, 1936, Equal Remuneration Act, 1976 and the Workmen's Compensation Act, 1923, Industrial Employment (Standing Orders) Act, 1946, Apprentices Act, 1961 and Child Labour (Prohibition Regulation) Act, 1986 and Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act , 2013 and Factories Act, 1948.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as Avenue Supermarts Private Limited on May 12, 2000, at Mumbai, Maharashtra as a private limited company under the Companies Act, 1956. Subsequently, the name of our Company was changed to Avenue Supermarts Limited due to conversion from a private company to a public company pursuant to a special resolution passed by the Shareholders at an extraordinary general meeting held on February 1, 2011. Pursuant to the aforesaid change of name, a fresh certificate of incorporation was issued to our Company by the RoC on May 3, 2011.

As of the date of this Draft Red Herring Prospectus, our Company has 2,134 Shareholders.

Corporate Profile of our Company

For details of our Company's activities, services, products, managerial competence, geographical presence, market of each segment, growth, technology, standing with reference to prominent competitors, major customers and suppliers, see "*Our Business*", "*Industry Overview*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 119, 99 and 167, respectively. For details regarding management of our Company, see "*Our Management*" beginning on page 138.

Changes in Registered Office

The details of changes in the registered office of our Company are set forth below:

Date of change	Details of the address of Registered Office
April 2, 2007	From 903, Dalamal House, 206, J.B. Marg, Nariman Point, Mumbai, 400 021 to Anjaneya CHS Limited, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai, 400 076.

The registered office of our Company was changed for operational convenience.

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

"To carry on business of/and/or to own, operate, run supermarkets, chainstores, departmental stores, undertakings, retailing, merchandising, franchising, wholesale marketing and to act as franchisors and franchisees, retailers, wholesale outlets, to develop, promote and sell own products, brand names, supply chain management, on line trading systems, offering consolidation via internet, telephone, e-commerce, satellite, brick and mortar and other communication applications and through other retailing modes, servicing, business to business and business to consumer for all kinds of products."

The main objects as contained in the Memorandum of Association enable our Company to carry on business presently being carried out as well as to carry on the activities for which the funds are being raised in the Issue.

Amendments to our Memorandum of Association

Date of Shareholders' Resolution	Particulars
February 1, 2011	The name of our Company was changed from Avenue Supermarts Private Limited to Avenue Supermarts Limited due to conversion from a private company to a public company

For details of other amendments to our Memorandum of Association, see "*Capital Structure - Changes in the Authorized Share Capital of the Company*" on page 68.

Major events and milestones in relation to our Company

The table below sets forth the key events in the history of our Company:

Financial Year	Particulars
2001	Our Company was incorporated as Avenue Supermarts Private Limited
2003	Our Company opened its first store in Powai, Mumbai
2005	Our Company entered into a scheme of amalgamation for transfer of undertakings of Koop Consumer Services Private Limited, Amodini Real Estates Private Limited and Shoppers Delight Private Limited to

Financial Year	Particulars
	our Company
2007	Our Company opened its first store in Gujarat
2010	The store count of our Company increased to 25 stores and our audited consolidated revenues exceeded ₹10,000 million
2011	Our Company opened stores in Andhra Pradesh and Karnataka
2012	Our Company was converted from a private company to a public company and the name of our Company changed to Avenue Supermarts Limited
	The store count of our Company increased to 50 stores
2014	The store count of our Company increased to 75 stores
2015	Our Company opened stores in Madhya Pradesh and Chattisgarh. The audited consolidated revenues of our Company exceeded ₹50,000 million
2016	Our Company opened 21 stores, highest in any financial year. The store count of our Company increased to 110 and our consolidated revenues exceeded ₹75,000 million
2017*	Our Company opened a store in the National Capital Region

**Till the date of this Draft Red Herring Prospectus*

For details regarding products, marketing, etc., see "*Our Business*" beginning on page 119

For details regarding our capital raising activities through equity and debt, as applicable, see "*Capital Structure*" and "*Financial Indebtedness*" beginning on pages 68 and 183, respectively and for details of overruns and labour related issues, see "*Risk Factors*" beginning on page 13.

Our Holding Company

Our Company does not have any holding company in terms of the Companies Act.

Our Subsidiary

As of the date of this Draft Red Herring Prospectus, our Company has three subsidiaries. For details regarding our Subsidiaries, see "*Our Subsidiaries*" beginning on page 136.

Injunctions or restraining order against our Company

As of the date of this Draft Red Herring Prospectus, there are no injunctions or restraining orders against our Company.

Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets

For details on scheme of amalgamation entered into by our Company, see "- *Summary of Key Agreements*" on page 135.

Other than as disclosed in "- *Summary of Key Agreements*" on page 135, our Company has not acquired any business or undertaking and has not undertaken any merger, amalgamation or revaluation of assets.

Summary of Key Agreements

Scheme of Amalgamation

On November 5, 2003, our Board of Directors approved a scheme of amalgamation under Sections 391 to 394 of the Companies Act, 1956 for amalgamation of Koop Consumer Services Private Limited, Amodini Real Estates Private Limited and Shoppers Delight Private Limited (collectively the "Transferor Companies") with our Company, with the appointed date as April 1, 2003 in terms of the Scheme of Amalgamation. As of the effective date, being September 14, 2004, of the Scheme of Amalgamation, the entire business and undertakings of the Transferor Companies, including all its assets, liabilities, rights, duties and obligations were transferred to our Company. In accordance with the Scheme of Amalgamation, our Company issued 3,170,500 Equity Shares to the shareholders of the Transferor Companies in the manner specified in the Scheme of Amalgamation. For further details regarding the issue of Equity Shares pursuant to the Scheme of Amalgamation, see "*Capital Structure - Equity Share Capital History of our Company".* On July 1, 2004, the Bombay High Court approved the Scheme of Amalgamation

Financial and strategic partners

Our Company does not have any financial or strategic partners.

OUR SUBSIDIARIES

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

Our Company has the following Subsidiaries:

1. Align Retail Trades Private Limited;
2. Avenue Food Plaza Private Limited; and
3. Nahar Seth & Jogani Developers Private Limited.

Details of our Subsidiaries

1. Align Retail Trades Private Limited

Corporate Information:

ARTPL was incorporated on September 22, 2006 under the Companies Act, 1956 at Mumbai, Maharashtra. It is involved in the business of, among others, packing and selling grocery products, spices, dry fruits, etc.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised equity share capital	2,000,000
Issued, subscribed and paid-up equity share capital	2,000,000

Shareholding Pattern:

The shareholding pattern of ARTPL is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Avenue Supermarts Limited	1,999,999	99.99
2.	Avenue Supermarts Limited and Prakash Pachisia	1	Negligible
Total		**2,000,000**	**100**

2. Avenue Food Plaza Private Limited

Corporate Information:

AFPPL was incorporated on June 8, 2004 under the Companies Act, 1956 at Mumbai, Maharashtra. It is involved in the business of, among others, operating fast food counters at the stores of our Company.

Capital Structure:

	No. of equity shares ₹ 10 each
Authorised Equity Share capital	10,000
Issued, subscribed and paid-up equity share capital	10,000

Shareholding Pattern:

The shareholding pattern of AFPPL is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Avenue Supermarts Limited	9,999	99.99
2.	Avenue Supermarts Limited and Prakash Pachisia	1	Negligible
Total		**10,000**	**100**

3. Nahar Seth & Jogani Developers Private Limited

Corporate Information:

NSJDPL was incorporated on February 21, 2014 under the Companies Act, 1956 at Mumbai, Maharashtra. NSJDPL was originally constituted as a partnership firm, Nahar Seth & Jogani Developers ("NSJD") in January 24, 1980 under the provisions of the Indian Partnership Act, 1932. Pursuant to a meeting of the partners of NSJD on October 4, 2013, for the purpose of smooth working, better and effective management and improvement and advancement of business, NSJD was converted into a private company in the name of NSJDPL. NSJDPL is involved in the business of, among others, development of land, construction and development of works of every description on any land and investments in land and properties.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised equity share capital	1,00,000
Issued, subscribed and paid-up equity share capital	1,00,000

Shareholding Pattern:

The shareholding pattern of NSJDPL is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Avenue Supermarts Limited	90,000	90
2.	Gopikishan S. Damani	5,000	5
3.	Radhakishan S. Damani	1,000	1
4.	Shrikantadevi R. Damani	1,000	1
5.	Kirandevi G. Damani	1,000	1
6.	Madhu Chandak	1,000	1
7.	Manjri Chandak	1,000	1
Total		**1,00,000**	**100**

Accumulated Profits or Losses of our Subsidiaries

There are no accumulated profits or losses of any of our subsidiaries, not accounted for, by our Company.

Other Confirmations

None of our Subsidiaries have made any public or rights issue in the last three years.

None of our Subsidiaries are listed nor have our Subsidiaries been refused listing on any stock exchange in India or abroad.

Interest of the Subsidiaries in our Company

None of our Subsidiaries hold any Equity Shares in our Company.

None of our Subsidiaries have any business interest in our Company except as stated in "*Our Business*" and "*Related Party Transactions*" beginning on pages 119 and 159, respectively. For further details of the transactions between our Company and our Subsidiaries, see "*Related Party Transactions*" on page 159.

Material Transactions

Other than as disclosed in "*Related Party Transactions*" on page 159, there are no sales or purchase between our Company and any of our Subsidiaries where such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company.

Common Pursuits

Except as disclosed in "*Our Business*", "*Financial Statements*" and "*Related Party Transactions*" on pages 119, 161 and 159 respectively, our Company and our Subsidiaries do not have any common pursuits.

OUR MANAGEMENT

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises six Directors, including three executive Directors, one non-executive Director and two independent Directors.

The following table sets forth details regarding our Board:

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
Ramesh S. Damani ***Designation***: Chairman and Independent Director ***Term***: Appointed as Independent Director with effect from August 11, 2014 for a term of five years up to March 31, 2019 ***Address***: Sunshine, 6th Floor, 156, M. Karve Road, Mumbai - 400 020 ***Occupation***: Business ***DIN***: 00304347	59	• Aptech Limited; and • Ramesh S. Damani Finance Private Limited
Ignatius Navil Noronha ***Designation*:** Managing Director ***Term***: Appointed as Managing Director with effect from February 1, 2016 for a term of five years up to January 31, 2021 ***Address***: D/102, Golden Square, Near MHB Colony, Sunder Nagar, Next to Kalina University, Santacruz (East), Mumbai - 400 098 ***Occupation***: Professional ***DIN***: 01787989	41	Avenue E-Commerce Limited
Ramakant Baheti ***Designation*:** Chief Financial Officer and Executive Director ***Term***: Liable to retire by rotation ***Address***: A/501, Hercules, Vasant Galaxy, Bangur Nagar, Goregaon (West), Mumbai - 400 090 ***Occupation***: Professional ***DIN***: 00246480	43	• Avenue E-Commerce Limited; • Avishkaar Techno-venture Private Limited; • DEFPL; • NSJDPL; and • Trishala Realty Private Limited.

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
Elvin Machado ***Designation*:** Executive Director ***Term***: Appointed as Executive Director with effect from June 10, 2015 for a term of three years up to June 9, 2018 subject to retirement by rotation in terms of the Companies Act. ***Address***: House No. 234/B, Shalaka, Pali Karijbhat, Near Pali Church, Vasai, Thane - 401 201 ***Occupation***: Professional	49	Nil
Manjri Chandak ***Designation*:** Non - Executive Director ***Term***: Liable to retire by rotation ***Address***: C - 501/602, Vastu Apartments, Near Devanand Bungalow, Juhu, Mumbai - 400 049 ***Occupation***: Professional ***DIN***: 03503615	31	• Avenue E-Commerce Limited; • Bombay Store Retail Company Limited; and • Bombay Swadeshi Stores Limited.
Chandrashekhar B. Bhave ***Designation*:** Independent Director ***Term***: Appointed as Independent Director with effect from May 17, 2016 for a term of five years up to May 16, 2021 ***Address***: 64 Tower 4, Pebble Bay, 1st Main RMV 2nd Stage, Dollars Colony, Bangalore - 560094 ***Occupation***: Retired ***DIN***: 00059856	66	• Mahindra and Mahindra Financial Services Limited; and • Indian Institute for Human Settlements

Arrangement or understanding with major shareholders, customers, suppliers or others

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board.

Relationship between our Directors

None of our Directors are related to each other.

Brief Biographies of Directors:

Ramesh S. Damani is the Chairman and an Independent Director of our Company. He holds a graduation degree in Commerce from H.R. College of Commerce and Economics from University of Bombay. He holds a post graduation degree in Business Administration, Marketing from California State University, Northridge. He has over 18 years of experience in securities market. Prior to joining our Company, he founded Ramesh S Damani Finance Private Limited, a stock broking company which was registered with the BSE and has volunatarily applied for closure of business. He is also presently a director on the board of Ramesh S Damani Finance Private Limited. He has been a Director since September 9, 2009.

Ignatius Navil Noronha is the Managing Director of our Company. He holds a graduation degree in Science from S.I.E.S College of Arts, Science and Commerce, Mumbai and a post graduation degree in Marketing Management from Narsee

Monjee Institute of Management Studies, Mumbai. He has over 20 years of experience in the consumer goods industry. Prior to joining our Company, he has worked with Hindustan Unilever Limited for eight years. During this period, he worked in the field of market research, sales and modern trade and at the time of leaving this organisation, he was designated as the Key Account Manager - Modern Trade. He has been a Director since Janaury 2, 2006.

Ramakant Baheti is the Chief Financial Officer and an Executive Director of our Company. He holds a graduation degree in Commerce from Maharishi Dayanand Sarswati University, Ajmer. He is a chartered accountant and a member of the ICAI. He has 19 years of experience in finance. Prior to joining our Company, he was the Manager-Finance of Bright Star. He was also a director of Damani Share and Stock Brokers Private Limited, a stock broking company. He has been a Director since Janaury 2, 2006.

Manjri Chandak is a Non-Executive Director of our Company. She holds a graduation degree in Commerce from University of Mumbai, Mumbai and a post graduation degree in Finance and Investment from University of Nottingham, United Kingdom. She has over seven years of experience in the retail industry. She is presently a director on the board of two retail companies, being Bombay Store Retail Company Limited and Bombay Swadeshi Stores Limited. Prior to joining our Company, she was a Research Associate in ASK Investment Managers Private Limited for approximately one year. She has been a Director since March 31, 2011.

Elvin Machado is an Executive Director of our Company. He holds a graduation degree in Economics from St. Xavier's College, University of Mumbai, Mumbai. He has over 28 years years of experience in the sales and marketing. Prior to joining our Company, he has worked with Hindustan Unilever Limited for approximately 18 years and at the time of leaving the organisation, he was designated as the Branch Operations Manager - East (Rural) and he has also worked with Mayo Health Care Private Limited. He is respsonsible for real estate acquisitions made by our Company. He has been a Director since June 10, 2015.

Chandrashekhar B. Bhave is an Independent Director of our Company. He holds a graduation degree in Electrical Engineering from Jabalpur Engineering College. He has over 20 years of experience in the state and central adminsitrative services and securities regulation. Prior to joining our Company, he has been in the Indian administrative services and has worked in different positions with the State Government and the Central Government. He has held the position of a Senior Executive Director of SEBI during the years 1992 to 1996 which were the formative years of SEBI, and during which period the work of creating the regulatory infrastructure for capital markets was undertaken. Further, Mr. Bhave has served as the Chairman of SEBI during the years 2008 to 2011. During this period, he was also the Chairperson of the Asia-Pacific Regional Committee and a member of the Technical and the Executive Committees of the International Organization of Securities Commission**.** He has also served as the Chairman and Managing Director of NSDL during the years 1996 to 2008. He is currently a member of the board of the Public Interest Oversight Board ("PIOB"), which is a not for profit foundation registered in Madrid, Spain. The PIOB supervises the work of the standard-setting bodies of the International Federation of Accountants from the perspective of public interest. He is also a member of the City of London Advisory Council for India. He is a trustee of the IFRS foundation based in London. He is also the Chairman of the Indian Institute for Human Settlements, a not for profit established for the purpose of creating and disseminating knowledge related to human settlements in the context of urban areas. He is a member of the Board of Mahindra and Mahindra Financial Services Limited and a trustee on the board of trustees of the Independent Public Spirited Media Foundation Trust. He is a member of the Regulatory Committee of Abu Dhabi Global Markets. He has been a Director since May 17, 2016.

Details regarding directorships of our Directors in listed companies

Except as disclosed below, none of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange.

Manjri Chandak is a director of Bombay Swadeshi Stores Limited which has been delisted from the BSE. The details regarding such delisting are as follows:

Details	Particulars
Name of the company	Bombay Swadeshi Stores Limited
Name of the stock exchange(s) on which the company was listed	BSE
Date of delisting on stock exchange(s)	November 19, 2015
Whether the delisting was compulsory or voluntary delisting	Voluntary delisting
Reasons for delisting	Voluntary delisting upon acquistion of shares under the Takeover Regulations
Whether the company has been relisted	No
Name of stock exchange(s) on which company has been relisted	Not applicable
Term of the directorship along with the relevant date of joining, (and the date of resignation, if applicable) in the above company	She was appointed as a director on June 15, 2015. She is liable to retire by rotation.

Further, none of our Directors is or was a director of any listed company whose shares have been suspended from being traded on BSE or NSE.

Terms of Appointment of the Executive Directors

Pursuant to a resolution passed by the Board at its meeting held on February 10, 2016 and by the Shareholders in their EGM meeting on March 10, 2016 and the letter of appointment dated February 11, 2016, Ignatius Navil Norhona is entitled to an annual remuneration of ₹33.55 million. The terms of his remuneration are set out below:

Sl. No.	Remuneration	Details
1.	Basic Salary	₹33.55 million per annum
2.	Perquisites and allowances	• Contribution to Provident Fund to be made in accordance with Indian laws and encashment of leave at the end of the tenure. • Annual performance bonus in accordance with our Company's rules. • Medical facilities for Ignatius Navil Noronha and his family to be borne by our Company in accordance with the Company's rules. • Provision of care along with a driver.

Pursuant to a resolution passed by the Board at its meeting held on April 25, 2014 and by the Shareholders in their AGM meeting on September 30, 2014 and letter of appointment dated April 25, 2014, Ramakant Baheti is entitled to an annual remuneration of ₹4.08 million. For further details about his appointment, see above at page 138. The following are his terms of remuneration:

Sl. No.	Remuneration	Details
1.	Salary	₹4.08 million per annum
2.	Perquisites and allowances	The salary, perquisites and allowances shall be subject to applicable provisions of the Income Tax Act.

Pursuant to a resolution passed by the Board at its meeting held on June 10, 2015 and by the Shareholders in their AGM meeting on September 30, 2015 and letter of appointment dated June 10, 2015, Elvin Machado is entitled to an annual remuneration of ₹4.80 million. The following are his terms of remuneration:

Sl. No.	Remuneration	Details
1.	Salary	₹4.80 million per annum
2.	Perquisites and allowances	The salary, perquisites and allowances shall be subject to applicable provisions of the Income Tax Act.

The base salary is paid subject to all deductions on account of withholding taxes, statutory contribution, encashment of leave and other requirements in accordance with applicable laws.

Payment or benefit to Directors of our Company

The sitting fees and other remuneration paid or payable to our Directors in Financial Year 2016 are as follows:

1. Remuneration to Executive Directors

The remuneration paid or payable to the Executive Directors in the Financial Year 2016 is as follows:

Sr. No.	Name of the Director	Remuneration (in ₹million)
1.	Ignatius Navil Noronha	179.55
2.	Ramakant Baheti	7.50
3.	Elvin Machado	3.88*

**He was appointed on June 10, 2015*

2. **Remuneration to Non Executive Directors**

No remuneration was paid or is payable to the Non-executive Directors of our Company in Financial Year 2016.

No remuneration has been paid or is payable by our Subsidiaries and our Associate Company to our Directors.

Except as disclosed in "*Related Party Transactions*" on page 159, none of the sundry debtors of our Company or beneficiaries of loans and advances are related to our Directors.

Shareholding of Directors in our Company

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, none of our Directors hold any Equity Shares:

Name of Director	Number of Equity Shares held
Ignatius Navil Noronha	13,700,000
Ramakant Baheti	3,175,000
Elvin Machado	411,400
Ramesh S. Damani	100,000

Our Articles of Association do not require our Directors to hold any qualification shares.

Shareholding of Directors in our Subsidiaries and Associate Company

Except as disclosed in " *Our Subsidiaries - Nahar Seth & Jogani Developers Private Limited - Shareholding Pattern*" on page 137, none of our Directors hold shares in our Subsidiaries and Associate Company of our Company.

Appointment of relatives of Directors to any office or place of profit

None of the relatives of any of our Directors currently hold any office or place of profit in our Company.

Interest of Directors

Non-executive Directors and Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and Committees thereof and reimbursement of expenses available to them and commision payable to them as approved by our Board. All Executive Directors may be deemed to be interested to the extent of other remuneration and reimbursement of expenses payable to them as stated in " *- Terms of appointment of our Executive Directors* " on page 141.

Except for Manjri Chandak, who is the daughter of two of our Promoters, Radhakishan S. Damani and Shrikantadevi R. Damani, none of our Directors have any interest in the promotion of our Company. Our Directors may also be regarded as interested in the Equity Shares held by them, or that may be subscribed by or allotted to them or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares.

None of our Directors have any interest in any property acquired by our Company in the two years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

Further, none of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which any of our Directors are interested, by any person, either to induce him to become, or to qualify him as, as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Except as stated in "*Related Party Transactions*" on page 159 and as disclosed in this section, none of our Directors have any interest in our business.

Changes in the Board in the last three years

Name	Date of Change	Reason
Elvin Machado	June 10, 2015	Appointed as Additional director and Executive Director(1)
Chandrashekhar B. Bhave	May 17, 2016	Appointed as Additional and Independent Director(2)

(1) *The Shareholders approved the regularisation of Elvin Machado as an Executive Director on September 30, 2015.*

(2) *The Shareholders approved the regularisation of Chandrashekhar B.Bhave as an Independent Director on September 16,2016.*

Certain Directors currently on the Board who were liable to retire by rotation have been re-appointed in the last three years pursuant to Shareholders passing relevant resolutions approving their re-appointment.

Borrowing Powers of Board

Pursuant to the resolution dated September 16, 2016, passed by our Shareholders in the annual general meeting, the Board is authorised to borrow from time to time all such sum(s) of money (including external commercial borrowings in foreign denominated currencies from any foreign sources as prescribed by statutory guidelines, if any, in this regard) in such manner as may be deemed necessary for the purpose of the business of our Company, notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by our Company and outstanding (apart from the temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business) and remaining outstanding at any point of time may exceed the aggregate of the paid-up capital and free reserves of our Company i.e. reserves not set apart for any specific purposes, provided that the total amount upto which money(s) may be borrowed by the Board and which shall remain outstanding at any given point of time shall not exceed ₹ 20,000.00 million.

In addition, pursuant to the resolution dated September 16, 2016, passed by our Shareholders in the annual general meeting, the Board is authorised to create mortgage(s), pledge, charge(s), hypothecation and/or floating charge(s), in addition to the existing mortgages, hypothecation(s) and charges created/to be created by our Company, in such form and ranking and with such ranking and at such time and on such terms and conditions as the Board may determine, on all or any of the moveable and/or immovable properties/assets and moveable assets/properties of our Company, present and future, of every nature and kind whatsoever, and undertaking of our Company in certain events to secure loans and/or borrowings of our Company including fund based and non-fund based facilities for working capital requirements and bank guarantees etc. the aggregate of which shall not, at any time, exceed the limit of ₹ 20,000.00 million from the financial institutions/banks and other agencies/parties to be issued by our Company from time to time together with interest, additional interest, liquidated damages, commitment charges, premium on prepayment or on redemption, costs, charges already created or to be created in future by our Company and expenses including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other money(s) payable by our Company in terms of loan agreement(s), debenture trust deed(s) or any other document entered into/to be entered into between our Company and the lender(s)/agent(s) and trustee(s) in respect of the said loans/borrowing/ debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board or Committee thereof and the lenders/agents/trustees in such manner and in such form as may be deemed prudent, desirable and necessary by our Board.

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and other applicable SEBI Regulations, in respect of corporate governance including constitution of the Board and committees thereof.Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

Currently, our Board has six Directors. In compliance with the requirements of the SEBI Listing Regulations, since our Chairman is non - executive, at least one-third of our Board comprises independent directors. We have one woman director and not less than fifty percent of the Board comprises non - executive diectors.

Committees of the Board

In addition to the committees of the Board detailed below, our Board of Directors may, from time to time constitute committees for various functions.

Audit Committee

The members of the Audit Committee are:

1. Chandrashekhar B. Bhave (*Chairperson*);

2. Ramakant Baheti; and

3. Ramesh S. Damani;

The Audit Committee was constituted on May 4, 2011 and reconstituted on May 17, 2016. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference include the following:

1. Oversight of our 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 our 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, the quarterly financial statements with the management 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 utilized 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;

8. Approval or any subsequent modification of transactions of our Company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of our 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 there on;

16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

17. Discussion with statutory auditors before the commencement of the audit, 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 the 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 utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Chandrashekhar B. Bhave (*Chairperson*);
2. Manjri Chandak; and
3. Ramesh S. Damani.

The Nomination and Remuneration Committee was constituted on March 28, 2014. The Nomination and Remuneration Committee was reconsituted on May 17, 2016 and certain modifications were undertaken to the powers of the Nomination and Remuneration Committee in compliance with the SEBI Listing Regulations. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include the following:

1. Formulation of criteria for evaluation of performance of independent directors and the board of directors;

2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees and while formulating this policy ensure that –

    a) Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

    b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

    c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of our Company and its goals and ensure that the policy is disclosed in the Board's report.

3. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director’s performance;

4. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

5. Devising a policy on diversity of the board of directors.

Stakeholders’ Relationship Committee

The members of the Stakeholders’ Relationship Committee are:

1. Manjri Chandak (*Chairperson); and*
2. Ramakant Baheti.

The Stakeholders’ Relationship Committee was constituted by our Board on May 4, 2015. Our Board, in its meeting held on July 23, 2016, modified powers of the Stakeholders’ Relationship Committee as per the SEBI Listing Regulations. The scope and functions of the Stakeholder Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations.

The terms of reference of the Stakeholders' Relationship Committee includes the following:

(a) Resolving the grievances of the shareholders of our Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends;

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

(c) 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.; and

(d) 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.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility are:

1. Ramakant Baheti (*Chairperson*);

2. Manjri Chandak; and

3. Ramesh S. Damani.

The Corporate Social Responsibility Committee was constituted by our Board on April 25, 2014. The scope and functions of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013.

The terms and reference of the Corporate Social Responsibility Committee include the following:

(a) To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act, 2013;

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

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

(d) To monitor the CSR activities undertaken by our Company, which shall be as per the CSR Policy, as projects or programs 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 our Company;

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

IPO Committee

The members of the IPO Committee are as follows:

1. Ramakant Baheti (*Chairperson*);

2. Ignatius Navil Noronha; and

3. Manjri Chandak.

The Board authorized the constitution of the IPO Committee pursuant to a resolution passed by our Board on February 10, 2016. The terms of reference of the IPO Committee include the following:

(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 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 our 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, the SEBI Regulations and the SEBI Listing Regulations;

(h) To seek, if required, the consent of the lenders to our Company, parties with whom our 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 our Company in terms of the escrow agreement for handling of refunds for the Issue and to authorise one or more officers of our Company to execute all documents/deeds as may be necessary in this regard;

(j) To open and operate bank accounts of our Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorise one or more officers of our 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 our 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 our Company to sign all or any of the aforestated 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 our 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 our 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 our Company to negotiate, finalize, settle, execute and deliver all or any of the aforesaid documents;

(o) To authorize and approve the incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Issue;

(p) To authorize and approve notices, advertisements in relation to the Issue, in consultation with the relevant intermediaries appointed for the Issue;

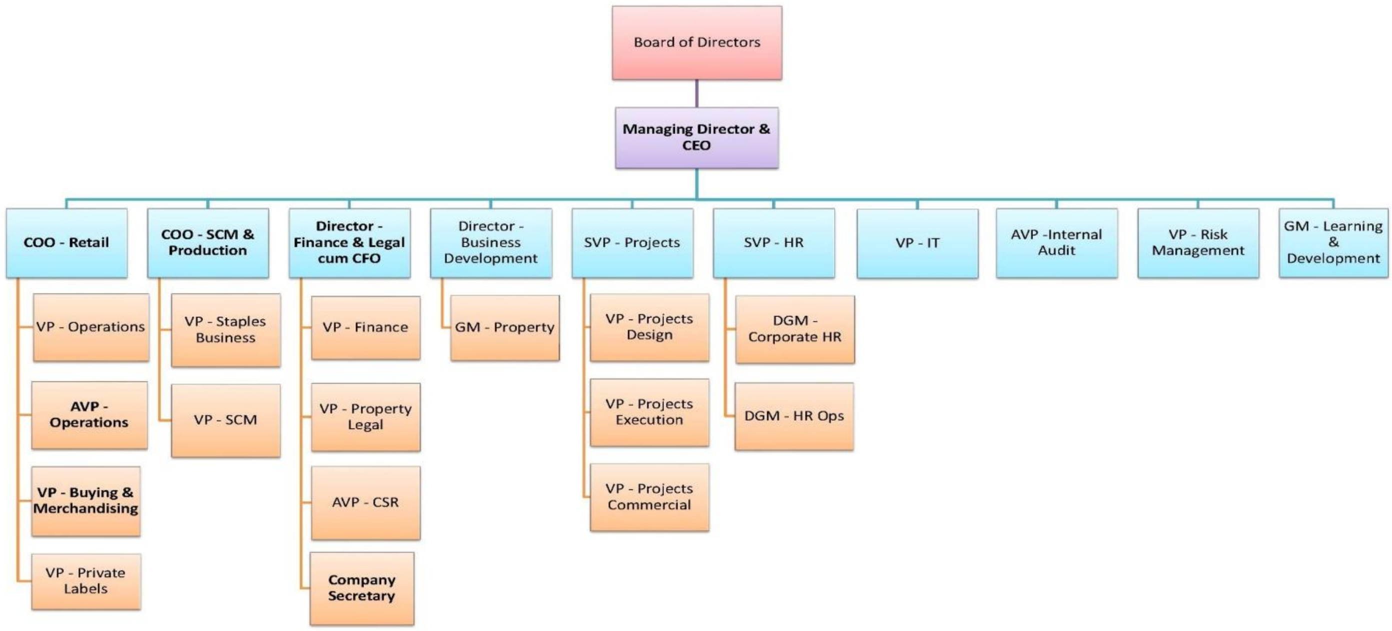
(q) To withdraw the Issue or any document filed in relation to the Issue including DRHP and RHP at any stage, if deemed necessary;

(r) To authorise any concerned person on behalf of our 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 our 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, finalize, 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.

Management Organization Structure



Key Management Personnel

The details of the key management personnel as of the date of this Draft Red Herring Prospectus are as follows:

Ignatius Navil Noronha was re-appointed as the Managing Director of our Company on February 1, 2016 and his term expires on January 31, 2021. He joined our Company on January 27, 2004 as Head - Operations. He was appointed as the Chief Executive Officer in the year 2007 and he was appointed as the Managing Director and Chief Executive Officer of our Company in 2011. He had joined our Company when our Company had only three operational stores. He has been involved in the formation and execution of the overall strategy encompassing the entire spectrum of our business. His key responsibilities included building the team from its formative days and grooming them, instituting appropriate processes and technology and acquiring and setting up of our stores in new territories. His key focus has been to articulate and deliver the unique positioning of the brand name "Dmart" that one of our Promoters, Radhakishan S. Damani, had envisaged with continuous guidance and mentoring from him. He is actively involved in guiding and directing leadership teams in developing, implementing and monitoring various processes, which are critical to the seamless functioning and growth of the organisation and he is responsible for driving the overall growth and vision of our Company. For details regarding our Managing Director, see, "- *Brief Biographies of Directors*" on page 140.

Ramakant Baheti was appointed as the Chief Financial Officer of our Company on May 1, 2014 and his term expires on April 30, 2019. He joined our Company when it was incorporated and he has been instrumental in setting up the vision of our Promoters and processes and strategy of overall business of our Company. Presently, his functions in our Company include formulation and execution of finance and legal strategy including finance control, financial planning and accounting, identification and finalisation of store locations and property due diligence. For details regarding our Chief Financal Officer, see "- *Brief Biographies of Directors*" on page 140.

Elvin Machado was appointed as a Wholetime Director of our Company on June 10, 2015 and his term expires on June 9, 2018. He has been involved in regional store operations which includes managing day to day operations and compliances. Presently, his functions in our Company include business development involving property acquisition, due diligence, co-ordination and liasoning with government agencies and local bodies. For details in relation to our Whole time Director, see, "- *Brief Biographies of Directors*" on page 140.

Udaya Bhaskar Yarlagadda, aged 44 years, is the Chief Operating Officer, Retail of our Company. He holds a graduation degree in Mechanical Engineering from Regional Engineering College, Rourkela, and a post graduate degree in Management from Indian Institute of Management, Calcutta. He has over 18 years of experience in sales and business development. Prior to joining our Company, he has worked with Procter and Gamble Hygiene and Health Care Limited where he held the position of director in customer business development. He joined our Company on August 1, 2015. Presently, his functions include managing and leading store operations, merchandising, private labels, marketing and store maintenance. For the Financial Year 2016, gross compensation of ₹17.81 million was paid or is payable to him.

Narayanan Bhaskaran, aged 48 years, is the Chief Operating Officer, Supply Chain Management and Production of our Company. He holds graduation degree in Commerce from University of Madras, post graduation in Human Resource Management from XLRI - Xavier School of Management, Jamshedpur and has completed an Advanced Programme in Supply Chain Management from Indian Institute of Management, Calcutta. He is an associate member of the Institute of Company Secretaries of India. He has over 22 years of experience in corporate secretarial functions, operations and human resource management. Prior to joining our Company, he has worked with TCL India Holdings Private Limited and Birla Sun Life Distribution Company Limited. He joined our Company on May 7, 2008 as Vice President – HR and he was involved in human resource management. Presently, he is managing supply chain management, corporate legal functions and staples business. For the Financial Year, 2016, a gross compensation of ₹12.47 million was paid or is payable to him.

Dheeraj Kampani, aged 39 years, is the Vice President, Buying and Merchandising of our Company. He holds a diploma in International Trade from Bhavan's Rajendra Prasad Institute of Communication and Management and post graduation degree in Business Management from Nagpur University. He has over 15 years of experience in sales and retail store management. Prior to joining our Company, he has worked with Hindustan Lever Limited and Great Wholesale Club Limited. He joined our Company on May 16, 2005 as Regional Manager - Operations. From the regional positions previously held by him, he was given the responsibilty of heading the garment category. Presently, he heads the buying and merchandising function of our Company. For the Financial Year 2016, a gross compensation of ₹6.29 million was paid or is payable to him.

Hitesh Shah, aged 45 years, is the Associate Vice President - Operations of our Company. He holds a graduation degree in Commerce from Gujarat University. He has over 21 years of experience in sales, marketing and retail store management. Prior to joining our Company, he has worked with Hindustan Unilever Limited. He joined our Company on March 5, 2007 as Regional Manager - Purchase and has been involved in merchandising of FMCG in Gujarat and subsequently, he was shifted to operations at circle level. Presently, his functions include day to day operational management of the stores and compliances. For the Financial Year, 2016, a gross compensation of ₹4.46 million was paid or is payable to him.

Ashu Gupta, aged 41 years, is the Company Secretary of our Company. She holds a graduation degree in Business Administration from Guru Nanak Dev University, Amritsar. She is an associate member of the Institute of Company Secretaries of India. She has over 10 years of experience in corporate, legal and secretarial functions. Prior to joining our Company, she has worked with NAM Securities Limited as a Company Secretary. She has joined our Company on July 3, 2007. For the Financial Year 2016, a gross compensation of ₹1.91 million was paid or is payable to her.

With respect to retirement, our Company has internal policy of retirement of its employees at the age of 60 years.

All our Key Management Personnel are permanent employees of our Company.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Management Personnel have been appointed.

Shareholding of Key Management Personnel in our Company

Except as disclosed below and at "*-Shareholding of Directors in our Company*", as on the date of this Draft Red Herring Prospectus, none of our Key Management Personnel hold any Equity Shares:

Name of Key Management Personnel	Number of Equity Shares held

Name of Key Management Personnel	Number of Equity Shares held
Dheeraj Kampani	672,500
Hitesh Shah	462,200
Narayanan Bhaskaran	385,900
Ashu Gupta	100,000

Relationship between our Key Management Personnel

None of our Key Management Personnel are related to each other.

Interests of Key Management Personnel

The Key Management Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of busines.

Further, the Key Management Personnel may be regarded as interested in the Equity Shares held by them, if any, and to the extent of any dividend payable to them and other distributions in respect of such Equity Shares.

Changes in our Key Management Personnel in the last three years:

Name	Date of change	Reason for change
Udaya Bhaskar Yarlagadda	August 1, 2015	Appointment as Chief Operating Officer, Retail
Narayanan Bhaskaran	September 1, 2016	Appointment as Chief Operating Officer, Supply Chain Management and Production
Dheeraj Kampani	September 1, 2016	Appointment as Vice President, Buying & Merchandising
Ramakant Baheti	May 1, 2014	Appointed as Chief Financial Officer
Hitesh Shah	April 1, 2014	Appointment as Associate Vice President, Operations

Payment or Benefit to officers of our Company

Except statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors and Key Management Personnel, is entitled to any benefits upon termination of employment under any service contract entered into with our Company.Except as stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no amount or benefit has been paid or given, in the two years preceding the date of this Draft Red Herring Prospectus, or is intended to be paid or given to any of our Company's officers except remuneration for services rendered as Directors, officers or employees of our Company.

Except as disclosed in "*Related Party Transactions*" on page 159, no loans have been availed by our Directors or the Key Management Personnel from our Company.

Bonus or profit sharing plan of the Key Management Personnel

Except as disclosed in this section, none of our Directors or Key Management Personnel is party to any bonus or profit sharing plan of our Company.

Employee Stock Option Plans and Employee Stock Purchase Plans

For details in relation to employee stock option plans of our Company, see "*Capital Structure*" from page 78 to 81.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are:

1. Radhakishan S. Damani;
2. Gopikishan S. Damani;
3. Shrikantadevi R. Damani;
4. Kirandevi G. Damani;
5. Bright Star;
6. Royal Palm Trust;
7. Bottle Palm Trust;
8. Mountain Glory Trust;
9. Gulmohar Trust; and
10. Karnikar Trust.

As on date of this Draft Red Herring Prospectus, our Promoters hold, in aggregate, 512,910,000 Equity Shares, representing 91.34 % of the issued and paid-up Equity Share capital of our Company.

Details of our Promoters

1. Radhakishan S. Damani

Radhakishan S. Damani, aged 61 years, is one of the Promoters of our Company. He is a resident Indian national. He resides at B - 2, 30th Floor, Prithvi Apartments CHS Limited, 21 Altamount Road, Mumbai - 400 026. He completed his first year commerce examination from the University of Mumbai. He has over 25 years of experience in the securities market. He began his career in the ball bearing business. Thereafter, he began his business in stock trading and he was granted registration as a stock broker by SEBI in the year 1992. Subsequently, in the year 1997, his membership was converted into corporate membership in the name of Damani Shares and Stock Brokers Private Limited. He founded Bright Star, one of the promoters of our Company, in the year 1989 to carry the business of dealing and investments in securities and susequently diversified his business in the retail industry through Koop Consumer Services Private Limited in the year 1999. Pursuant to the Scheme of Amalgamation, Koop Consumer Services Private Limited was merged into our Company. He has been instrumental in building a company that constantly strives towards developing a deep understanding of customer needs and right products.

He is also a director on the board of Bright Star, Align Developers Private Limited, Derive Trading and Resorts Private Limited, 7 Apple Hotels Private Limited, Habitat Micro Build India Housing Finance Company Private Limited and Indian Institute of Human Settlements.

His driving license number is MH01 20090062352. His voter identification number is MT/04/019/265077.

2. Gopikishan S. Damani

Gopikishan S. Damani, aged 59 years, is one of the Promoters of our Company. He is a resident Indian national. He resides at B - 2, 30th Floor, Prithvi Apartments CHS Limited, 21 Altamount Road, Mumbai - 400 026. He has completed his secondary school certificate examination from Maharashtra State Board of Secondary Education, Poona Divisional Board. He has over 25 years of experience in securties market. He was granted registration as a stock broker by SEBI in the year 1992. Subsequently, in the year 1995, his membership was converted into corporate membership in the name of Maheshwari Equity Brokers Private Limited. He is also a director on the board of Maheshwari Equity Brokers Private Limited, Bright Star, Shubhchintak Properties Private Limited, GSD Metals Private Limited, Align Developers Private Limited, Trishala Realty Private Limited, Avishkar Technoventure Private Limited and Nahar Seth and Jogani Developers Private Limited. He has been awarded the Rashtriya Samman on April 7, 2000 for being one of the highest tax payers during Assessment Years 1995 to 1999.

He does not have a driving license. His voter identification number is MT/04/019/265076.

3. Shrikantadevi R. Damani

Shrikantadevi R. Damani aged 57 years, is one of the Promoters of our Company. She is a resident Indian national. She resides at B -2, 30th Floor, Prithvi Apartments CHS Limited, 21 Altamount Road, Mumbai - 400 026. She has completed her higher secondary school certificate examination from Sitaram Poddar School, Mumbai. She is also a director on the board of Bright Star, Nekian Estate Consultants Private Limited, GSD Metals Private Limited, Trishala Realty Private Limited and Derive Trading and Resorts Private Limited.

Her driving license number is MH0120090089312. Her voter identification number is MT/04/019/265078

4. Kirandevi G. Damani

Kirandevi G. Damani, aged 52 years, is one of the Promoters of our Company. She is a resident Indian national. She resides at B -2, 30th Floor, Prithvi Apartments CHS Limited, 21 Altamount Road, Mumbai - 400 026. She completed her secondary school certificate examination from Shree Sharda Balika N.M Vidhyalya, Nepal. She is a director on the board of Maheshwari Equity Brokers Private Limited.

She does not have a driving license. Her voter identification number is MT/04/019/265074

Our Company confirms that the PAN, bank account number and passport number of our individual Promoters will be submitted to the Stock Exchanges, at the time of filing of the Draft Red Herring Prospectus with the Stock Exchanges.

5. Bright Star

Corporate Information

Bright Star was incorporated as Bright Star Investments Private Limited on September 20, 1989 as a private limited company under the Companies Act, 1956. The name of Bright Star changed to Bright Star Investments Limited pursuant to a fresh certificate of incorporation on July 1, 1998. The name of Bright Star was changed to its present name pursuant to a fresh certificate of incorporation on April 15, 1999. The registered office of Bright Star is situated at 903, Dalamal House, 206 J B Marg, Nariman Point, Mumbai - 400 021.

Bright Star is currently in the business of investments in capital markets.

Board of directors

The board of directors of Bright Star comprises:

1. Radhakishan S. Damani;

2. Gopikishan S. Damani; and

3. Shrikantadevi R. Damani;

Shareholding pattern

The authorised share capital of Bright Star is ₹ 60,000,000 divided into 6,000,000 equity shares of ₹ 10 each.

The shareholding pattern of Bright Star is as follows:

S. No.	Name of Shareholders	No. of equity shares of ₹ 10 each	Percentage (%)
1.	Radhakishan S. Damani	2,125,580	54.00
2.	Gopikishan S. Damani	200,120	39.65

S. No.	Name of Shareholders	No. of equity shares of ₹ 10 each	Percentage (%)
3.	Shrikantadevi R. Damani	1,561,100	5.08
4.	Kirandevi G. Damani	50,000	1.27
	Total	**3,936,800**	**100**

Changes in the management and control

There has been no change in the management and control of Bright Star in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Promoters of Bright Star:

1. Radhakishan S. Damani;

2. Gopikishan S. Damani;

3. Shrikantadevi R. Damani; and

4. Kirandevi G. Damani.

Our Company confirms that the permanent account number, bank account number, the company registration number of Bright Star and the address of the registrar of companies where Bright Star is registered shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus with the Stock Exchanges.

6. Royal Palm Trust

Royal Palm Trust was formed pursuant to a trust deed dated December 10, 2009 (the "Trust Deed"). The trustees of Royal Palm Trust are Radhakishan S. Damani, Shrikantadevi R. Damani, Jyoti Kabra, Madhu Chandak and Manjri Chandak.

The registered office of Royal Palm Trust is at 903, Dalamal House, 206 J B Marg, Nariman Point, Mumbai - 400 021. The overall objective of Royal Palm Trust is to hold assets settled in Royal Palm Trust and further added thereto, and to distribute the income, assets, trust fund including corpus after deducting all trust expenses and liabilities for the beneficiaries in the manner provided in the Trust Deed.

Radhakishan S. Damani is the settlor of Royal Palm Trust. The primary beneficiary of Royal Palm Trust is Madhu Chandak.

7. Bottle Palm Trust

Bottle Palm Trust was originally formed pursuant to a trust deed dated December 10, 2009 (the "Trust Deed"). The trustees of Bottle Palm Trust are Radhakishan S. Damani, Shrikantadevi R. Damani, Jyoti Kabra, Madhu Chandak and Manjri Chandak.

The registered office of Bottle Palm Trust is at 903, Dalamal House, 206 J B Marg, Nariman Point, Mumbai - 400 021. The overall objective of Bottle Palm Trust is to hold assets currently settled in Bottle Palm Trust and further added thereto, and to distribute the income, assets, trust fund including corpus after deducting all trust expenses and liabilities for the beneficiaries in the manner provided in the Trust Deed.

Radhakishan S. Damani is the settlor of Bottle Palm Trust. The primary beneficiary of Royal Palm Trust is Manjri Chandak.

8. Mountain Glory Trust

Mountain Glory Trust was originally formed pursuant to a trust deed dated December 10, 2009 (the "Trust Deed"). The trustees of Royal Palm Trust are Radhakishan S. Damani, Shrikantadevi R. Damani, Jyoti Kabra, Madhu Chandak and Manjri Chandak.

The registered office of Mountain Glory Trust is at 903, Dalamal House, 206 J B Marg, Nariman Point, Mumbai - 400 021. The overall objective of Mountain Glory Trust is to hold assets currently settled in Mountain Glory Trust and further added thereto, and to distribute the income, assets, trust fund including corpus after deducting all trust expenses and liabilities for the beneficiaries in the manner provided in the Trust Deed.

Radhakishan Damani is the settlor of Mountain Glory Trust. The primary beneficiary of Mountain Glory Trust is Jyoti Kabra.

9. Gulmohar Trust

Gulmohar Trust was originally formed pursuant to a trust deed dated December 10, 2009 (the "Trust Deed"). The trustees of Royal Palm Trust are Radhakishan S. Damani, Gopikishan S. Damani, Kirandevi G. Damani, Madhu Chandak and Manjri Chandak.

The registered office of Gulmohar Trust is at 903, Dalamal House, 206 J B Marg, Nariman Point, Mumbai - 400 021. The overall objective of Gulmohar Trust is to hold assets currently settled in Gulmohar Trust and further added thereto, and to distribute the income, assets, trust fund including corpus after deducting all trust expenses and liabilities for the beneficiaries in the manner provided in the Trust Deed.

Gopikishan S. Damani is the settlor of Gulmohar Trust. The primary beneficiary of Gulmohar Trust is Prateet Damani.

10. Karnikar Trust

Karnikar Trust was originally formed pursuant to a trust deed dated December 10, 2009 (the "Trust Deed"). The trustees Karnikar Trust are Radhakishan S. Damani, Gopikishan S. Damani, Kirandevi G. Damani, Madhu Chandak and Manjri Chandak.

The registered office of Karnikar Trust is at 903, Dalamal House, 206 J B Marg, Nariman Point, Mumbai - 400 021. The overall objective of Karnikar Trust is to hold assets currently settled in Karnikar Trust and further added thereto, and to distribute the income, assets, trust fund including corpus after deducting all trust expenses and liabilities for the beneficiaries in the manner provided in the Trust Deed.

Gopikishan S. Damani is the settlor of Gulmohar Trust. The primary beneficiary of Karnikar Trust is Pratinav Damani.

Our Company further confirms that the permanent account number and bank account numbers of Royal Palm Trust, Bottle Palm Trust, Mountain Glory Trust, Gulmohar Trust and Karnikar Trust shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus with the Stock Exchanges.

Interests of Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company and the dividends payable, if any, and any other distributions in respect of the Equity Shares held by them. For details on the shareholding of our Promoters in our Company, see "*Capital Structure*" from page 72 to 74.

Our Promoters are not interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus with SEBI. Our Company has entered into the following arrangements with 7 Apple Hotels Private Limited, Promoter Group entity of our Company (i) leave and license agreement dated January 29, 2016 for renting of a property located at Aurangabad for ₹0.40 million per month plus applicable service tax and maintenance charges with license term of five years from the date of operation of the hotel; and (ii) leave and license agreement May 31, 2016 for renting of a property located at Vadodara for monthly rental of ₹0.33 million per month for first two years and ₹0.40 million per month for the remianing three years plus applicable service tax and maintenance charges, and with license term of five years.

Except as stated in "*Related Party Transactions*" on page 159, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them.

Except for our Subsidiairies, ARTPL and AFPPL, Associate and Group Company, AECL, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Our Promoters are not related to any sundry debtors of our Company.

Except as disclosed in this Draft Red Herring Prospectus, our Promoters are not interested as a member of a firm or a company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

Payment or Benefits to Promoters

Except as stated otherwise in "*Related Party Transactions*" on page 159 about the related party transactions entered into during the last five Financial Years as per Accounting Standard 18 and in " - *Interests of Promoters*" on page 154, there has been no payment or benefit to our Promoters or Promoter Group during the two years prior to the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

Companies with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any other companies during the preceding three years.

Change in the management and control of our Company

Our Promoters are the original promoters of our Company and there has not been any change in the management or control of our Company.

Confirmations

Our Promoters and members of the Promoter Group have not been declared as Wilful Defaulters.

Our Promoters and members of the Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Promoter Group

Persons constituting the Promoter Group of our Company in terms of Regulation 2(1)(zb) of the SEBI Regulations except the Promoters and Subsidiaries are set out below:

Natural persons forming part of Promoter Group:

1. Chandadevi Chandak;
2. Govind Kishan Mundhra;
3. Jyoti Kabra;
4. Madhu Chandak;
5. Manjri Chandak;
6. Prateet Damani;
7. Pratinav Damani;
8. Rukmanidevi Bagri;and
9. Surajdevi Daga.

Entities forming part of Promoter Group:

1. 7 Apple Hotels Private Limited;
2. AECL;
3. Align Developers Private Limited;
4. Aptech Investments;
5. Avishkaar Technoventure Private Limited;
6. Bombay Store Retail Company Limited;
7. Bombay Swadeshi Stores Limited;

8. Cinestaan Entertainment Private Limited;
9. Damani Foundation;
10. DEFPL;
11. Derive Investments;
12. Derive Trading and Resorts Private Limited;
13. Gopikishan Shivkishan Damani HUF.
14. GSD Metals Private Limited;
15. Gutz Feel Film Production LLP;
16. Habitat Micro Build India Housing Finance Company Private Limited;
17. JSM Developers Private Limited;
18. Maheshwari Equity Brokers Private Limited;
19. Moss Realtors Private Limited;
20. Mutual Growth Fund of India LLP;
21. Nekian Estate Consultants Private Limited;
22. Out of India Retail Private Limited;
23. Prarthana Builders LLP;
24. Radhakishan Shivkishan Damani HUF;
25. Shivkishan Mindaram Damani Charitable Trust;
26. Shubhchintak Properties Private Limited;
27. Trishala Realty Private Limited; and
28. VST Industries Limited.

OUR GROUP COMPANIES

In terms of the SEBI Regulations and pursuant to the resolution passed by our Board at its meeting held on September 24, 2016, group companies of our Company are those companies which are included in the list of related parties in our Company's consolidated financial statements for the Financial Year ended March 31, 2016, 2015, 2014, 2013 and 2012 in accordance with Accounting Standard 18 (except such companies that are consolidated in accordance with Accounting Standards 21) and other companies considered material by our Board.

Pursuant to the aforesaid resolution of our Board, for the purpose of disclosure in relation to the Issue, a company shall be considered material and disclosed as a Group Company if (i) such company has been promoted by any of our Promoters; and (ii) had transactions with the Company in the last audited financial year which exceeded one percent of the consolidated revenues of the Company.

Accordingly, in terms of the above policy adopted by our Board for determining group companies, we have set out below the details of our Group Companies. Our Board has also approved that, as on the date of the aforesaid resolution, there are no other group companies of our Company other than the companies disclosed below:

1. Damani Estates and Finance Private Limited

Corporate Information

DEFPL is a private company and was incorporated on June 19, 1991 under the Companies Act, 1956 and is registered as a sub-broker with SEBI. DEFPL is involved in the business of investment in all types of stock, shares, government bonds and securities issued by any company and to buy, deal in, sell, lease, letout, land, buildings, estates, immovable property, movable property or rights, title or interest thereon.

Interest of Promoters

Our Promoters hold 100% of the issued, subscribed and paid up capital of DEFPL.

Financial Performance

The financial information derived from the audited financial results of DEFPL for the Financial Years ended 2016, 2015 and 2014 are set forth below:

(Figures in ₹million except per share data)

Particulars	Financial Year ended		
	2016	2015	2014
Equity capital	3.66	3.66	3.66
Reserves and surplus (excluding revaluation)	2, 112.72	1,863.31	1,686.10
Sales/Turnover (Income)	319.60	312.18	2,103.53
Profit/(Loss) after tax	245.75	177.46	749.07
Earnings per share (Basic and Diluted)	6,715	4,849	20,466
Net asset value per share	57,825	51,010	46,168

2. Avenue E-Commerce Limited

Corporate Information

AECL is a public company and was incorporated on Novermber 11, 2014 under the Companies Act, 1956. AECL is involved in the business of online trading and e-commerce.

Interest of Promoters

Our Promoters directly hold 50.75% of the issued, subscribed and paid up capital of AECL and hold 49.21% of the issued, subscribed and paid up capital of AECL through our Company.

Financial Performance

The financial information derived from the audited financial results of AECL for the Financial Years ended 2016 and 2015 are set forth below:

(Figures in ₹ million except per share data)

Particulars	Financial Year ended		
	2016	2015	2014*
Equity capital	311.76	5.7	-

Particulars	Financial Year ended		
	2016	2015	2014*
Reserves and surplus (excluding revaluation)	(1.70)	(0.80)	-
Sales/Turnover (Income)	1.99	-	-
Profit/(Loss) after tax	(1.62)	(0.80)	-
Earnings per share (Basic and Diluted)	(0.052)	(0.140)	-
Net asset value per share	9.94	9.85	-

***AECL was incorporated in the Financial Year 2015.*

Group Companies under winding up

None of the group companies are under winding up.

Group Companies which are sick industrial companies

None of the group companies have been declared as sick companies under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1995.

Loss making Group Companies

Except as disclosed in "- *Avenue E-Commerce Limited"* from page 157 to 158, none of the group companies are loss making companies.

Defunct Group Companies

None of the group companies have remained defunct and no application has been made to the registrar of companies for striking off the name of any of our group companies during the five years preceding the date of filing the Draft Red Herring Prospectus with SEBI.

Common Pursuits among the Group Companies and our Company

Except as disclosed below, there are no common pursuits or conflict of interest situations amongst any of our Group Companies and our Company:

The Director and KMPs of our Company, Ramakant Baheti, Chief Fianncial Officer and Executive Director Ashu Gupta, Company Secretary are directors on the Board of DEFPL.

Interest of Group Companies in our Company

None of our group companies are interested in any property acquired by the Company within two years of the date of filing the Draft Red Herring Prospectus with SEBI or proposed to be acquired by the Company.

Related Business Transactions within the Group Companies and Significance on the Financial Performance of our Company

Other than the transactions disclosed in "*Related Party Transactions*" on page 159, there are no other related business transactions within the Group Companies.

Sale/Purchase between Group Companies and our Company

None of our Group Companies is involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate ten per cent of the total sales or purchases of our Company.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the last five financial years, as per the requirement under Accounting Standard 18 “Related Party Disclosures”, see “*Financial Statements - Related Party disclosures*” beginning on page 161.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position of our Company. Our Company has no formal dividend policy.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see "*Financial Indebtedness*" beginning on page 183.

Our Company has not declared any dividends in the five Financial Years preceding the date of this Draft Red Herring Prospectus.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

To
The Board of Directors
M/s. Avenue Supermarts Limited,
Anjaneya CHS Limited, Orchard Avenue,
Opp Hiranandani Foundation School,
Powai,
Mumbai – 400 076.

Auditors' Report on Restated Consolidated Financial Information in connection with the Initial Public Offering of Avenue Supermarts Limited

Dear Sirs,

1. This report is issued in accordance with the terms of our agreement dated September 24, 2016.

2. The accompanying restated consolidated financial information, expressed in Indian Rupees, in Millions, of Avenue Supermarts Limited (hereinafter referred to as the "Company") and its subsidiaries and an associate (hereinafter together referred to as the "Group"), comprising Consolidated Financial Information in paragraph A below and Other Consolidated Financial Information in paragraph B below (hereinafter together referred to as "Restated Consolidated Financial Information"), has been prepared by the Management of the Company in accordance with the requirements of section 26 of the Companies Act 2013 (hereinafter referred to as the "Act") read with Rule 4 to Rule 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the "Rules") and item (IX) of Part A of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date issued by SEBI on August 26, 2009 read along with the SEBI circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (the "SEBI Regulations") issued by the Securities and Exchange Board of India (the "SEBI") in connection with the Proposed Initial Public Offering of Equity Shares of the Company (the "Issue") and has been approved by the IPO Committee of the Board of Directors and initialed by us for identification purposes only. For the purposes of our examination, we have placed reliance on the audited consolidated financial statements of the Group for the years ended March 31, 2016, and March 31, 2015 and audited special purpose consolidated financial statements of the Group for the three years ended March 31, 2014 all of which were expressed in Indian Rupees in Lakhs, on which we have expressed unmodified audit opinions vide our reports dated August 1, 2016, August 28, 2015, and September 29, 2016 respectively. We have included emphasis of matter in our audit report for the year ended March 31, 2016, however audit opinion was not qualified in respect of the said matter.

Management's Responsibility for the Restated Consolidated Financial Information

3. The preparation of the Restated Consolidated Financial Information, which is to be included in the Draft Red Herring Prospectus ("DRHP"), is the responsibility of the Management of the Company and has been approved by the IPO Committee of the Board of Directors, at its meeting held on September 29, 2016, for the purpose set out in paragraph 15 below. The Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors' Responsibilities

4. Our work has been carried out in accordance with the Standards on Auditing under section 143(10) of the Act, (Revised) Guidance Note on Reports in Company Prospectuses and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India and pursuant to the requirements of section 26 of the Act read with applicable provisions within Rule 4 to Rule 6 of the Rules and the SEBI Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Issue.

   Our examination of the Restated Consolidated Financial Information has not been carried out in accordance with the auditing standards generally accepted in the United States of America ("U.S."), Public Company Accounting Oversight Board and accordingly should not be relied upon by any one as if it had been carried out in accordance with those standards or any other standards besides the standards referred to in this report. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Issue.

A. Consolidated Financial Information as per audited consolidated financial statements:

5. We have examined the following summarized financial statements of the Company contained in Restated Consolidated Financial Information of the Group:

   a) the "Restated Consolidated Statement of Assets and Liabilities " as at March 31, 2016, 2015, 2014, 2013 and 2012. (enclosed as Annexure I);
   b) the "Restated Consolidated Statement of Profit and Loss" for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 (enclosed as Annexure II) and
   c) the "Restated Consolidated Statement of Cash Flows" for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 (enclosed as Annexure III).

6. The Restated Consolidated Financial Information, expressed in Indian Rupees, in Millions, has been derived from the audited consolidated financial statements of the Group, read with paragraphs 7 and 8 below, as at March 31, 2016 and March 31, 2015 and audited special purpose audited consolidated financial statements for the three years ended March 31, 2014 of the Group all of which were expressed in Indian Rupees in Lakhs and for the years ended March 31, 2016 and March 31, 2015 and for the three years ended March 31, 2014, all of which were expressed in Indian Rupees in Lakhs.

7. The audit of the financial information of two subsidiaries included in the Restated Consolidated Financial Information of the Group, was conducted by other auditors and whose financial statements reflect the Group's share of total assets of of Rs. 158.78 million, Rs. 131.35 million, Rs. 123.01 million, Rs. 114.33 million and Rs. 121.85 million and net assets of Rs. 52.16 million, Rs. 42.70 million, Rs. 15.04 million, Rs. 7.43 million and Rs. 15.73 millionas at March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012, respectively and total revenue of Rs. 77.98 million, Rs. 55.83 million Rs. 58.94 million, Rs. 55.79 million and Rs. 52.21 million , net profit of Rs. 13.12 million, Rs. 11.97 million, Rs. 9.38 million, Rs. 8.63 million and Rs. 7.23 million and net cash inflows Rs. 6.58 million, Rs. 1.08 million, Rs. 3.08 million, Rs. 1.43 million and net cash outflows of Rs.4.49 million for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012, respectively and one associate company which constitutes loss of Rs. 0.70 million for the year ended March 31, 2016. Accordingly, our opinion on examination of the Consolidated Financial Information and Other Consolidated Financial Information of the Group, in so far as it relates to the amounts included in these Restated Consolidated Financial Information relating to these subsidiaries and associate, is based solely on the audit reports furnished to us by other auditors, after making necessary adjustments.

8. We draw your attention to the following:

   a) the Restated Consolidated Financial Information should be read in conjunction with the basis of preparation and significant accounting policies given in Annexure IV (as described in paragraph 10(i) below);
   b) the Restated Consolidated Financial Information does not contain all the disclosures required by the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

9. We have not audited any financial statements of the Group as of any date or for any period subsequent to March 31, 2016. Accordingly, we do not express any opinion on the financial position, results of operations or cash flows of the Group as of any date or for any period subsequent to March 31, 2016.

B. Other Consolidated Financial Information:

10. At the Company's request, we have also examined the following Other Consolidated Financial Information relating to the Group as at March 31, 2016, March 31,2015, March 31,2014, March 31, 2013 and March 31,2012 and for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012, proposed to be included in the DRHP, prepared by the Management of the Company and as approved by the IPO Committee of the Board of Directors of the Company and annexed to this report:

   i) Basis of preparation and Significant Accounting Policies as enclosed in Annexure IV
   ii) Notes to the Restated Consolidated Financial Information as enclosed in Annexure V

iii) Statement of Adjustments to Audited Consolidated Financial Statements as enclosed in Annexure VI
iv) Restated Consolidated Statement of Secured Borrowings as enclosed in Annexure VII

v) Restated Consolidated Statement of Principle Terms of Secured Borrowings outstanding as at March 31, 2016 as enclosed in Annexure VII(A)
vi) Restated Consolidated Statement of Unsecured Borrowings as enclosed in Annexure VIII
vii) Restated Consolidated Statement of Other Long Term Liabilities as enclosed in Annexure IX
viii) Restated Consolidated Statement of Investments as enclosed in Annexure X
ix) Restated Consolidated Statement of Trade Receivables as enclosed in Annexure XI
x) Restated Consolidated Statement of Loans and Advances as enclosed in Annexure XII
xi) Restated Consolidated Statement of Other Income as enclosed in Annexure XIII
xii) Restated Consolidated Statement of Accounting Ratios as enclosed in Annexure XIV
xiii) Restated Consolidated Statement of Capitalisation as enclosed in Annexure XV

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Opinion

12. In our opinion:
(i) the Restated Consolidated Financial Information of the Group, as attached to this report and as mentioned in paragraphs A and B above, read with basis of preparation and respective significant accounting policies have been prepared in accordance with the Act, Rules, and the SEBI Regulations;
(ii) there have been no changes in accounting policies of the Company (as disclosed in Annexure IV to this report);
(iii) the material adjustments relating to previous years have been adjusted in the year to which they relate;
(iv) there are no qualifications in the Auditors' Report which require any adjustments; and
(v) there are no extra-ordinary items which needs to be disclosed separately.

13. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us on the consolidated financial statements of the Group and/or by other auditors.

Emphasis of Matter

14. We draw attention to Note 22 in Annexure V in the Restated Consolidated Financial Information for the year ended March 31, 2016 regarding the delay in appointment of one independent director in the Company as per the requirement of section 149 of the Companies Act 2013 and the rules made thereunder. The Company has since made an application for compounding to the Central Government as of August 1, 2016. Our Opinion is not qualified in respect of this matter.

Restriction on Use

15. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the DRHP, prepared in connection with the proposed Initial Public Offering of Equity Shares of the Company, to be filed by the Company with the SEBI, Registrar of Companies, Mumbai and the concerned Stock Exchanges.

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

S Venkatesh
Partner
Membership Number: 037942

Place: Mumbai
Date: September 29, 2016

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Annexure I-Restated Consolidated Statement of Assets and Liabilities of Avenue Supermarts Limited

₹ in million

Particulars	Notes / Annexures	As at				
		March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Equity and Liabilities						
Shareholder's Funds						
Share capital	AnnexureV, Note 1	5,615.43	5,615.43	5,467.53	5,440.59	5,335.39
Reserves and surplus	AnnexureV, Note 2	9,588.84	6,376.77	4,088.30	2,454.88	1,481.58
Minority Interest		1.00	0.54	0.10	3.00	3.00
Non-current liabilities						
Long-term borrowings	AnnexureVII	9,084.69	7,137.75	4,568.37	3,711.62	2,643.19
Deferred tax liabilities (Net)	AnnexureV, Note 3	398.65	305.13	265.11	200.98	129.65
Other long term liabilities	Annexure IX	161.72	160.84	124.43	133.86	113.39
Long Term Provisions	AnnexureV, Note 4	1.73	1.29	0.76	0.41	0.12
Current liabilities						
Short-term borrowings	AnnexureVII & VIII	1,296.99	436.86	546.57	623.66	633.33
Trade payables	Annexure V, Note 5					
- Total outstanding dues of micro enterprises and small enterprises		8.04	1.88	4.17	5.64	8.93
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,910.27	1,183.25	1,221.77	938.21	634.75
Other current liabilities	AnnexureV, Note 6	2,769.98	2,150.33	1,701.34	1,346.03	897.73
Short-term provisions	AnnexureV, Note 7	164.60	178.05	88.03	61.86	27.70
Total		**31,001.94**	**23,548.12**	**18,076.48**	**14,920.74**	**11,908.76**
Assets						
Non Current Assets						
Fixed Assets	AnnexureV, Note 8					
Tangible assets		20,891.77	15,240.88	11,680.67	9,215.81	7,772.94
Intangible assets		43.40	39.93	36.20	30.84	17.73
Capital Work-in-progress (Tangible Assets)		816.87	981.17	887.82	1,181.09	849.36
Total Fixed Assets		**21,752.04**	**16,261.98**	**12,604.69**	**10,427.74**	**8,640.03**
Non Current Investments	AnnexureX	274.75	145.60	152.41	159.48	137.55
Long term loans and advances	AnnexureXII	1,073.61	801.61	425.84	526.24	355.25
Other Non Current Assets	AnnexureV, Note 9	2.99	2.07	0.05	0.05	0.04
Current assets						
Current Investments	AnnexureX	18.56	6.66	2.98	0.12	89.22
Inventories	AnnexureV, Note 10	6,716.88	5,396.09	3,783.29	2,762.25	1,957.36
Trade receivables	AnnexureXI	84.16	70.73	95.44	132.88	56.31
Cash and bank balances	AnnexureV, Note 11	350.99	380.43	554.10	616.17	479.17
Short-term loans and advances	AnnexureXII	723.91	481.42	454.75	294.73	179.88
Other current assets	AnnexureV, Note 12	4.05	1.53	2.93	1.08	13.95
Total		**31,001.94**	**23,548.12**	**18,076.48**	**14,920.74**	**11,908.76**

The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Consolidated Financial Information appearing in Annexure V and Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VI.

Annexure II-Restated Consolidated Statement of Profit and Loss of Avenue Supermarts Limited

₹ in million

Particulars	Notes / Annexures	For the Year ended				
		March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Revenue						
Revenue from Operations	AnnexureV, Note 13	85,881.19	64,394.33	46,864.88	33,408.54	22,085.60
Other Income	AnnexureXIII	179.86	182.56	158.37	142.50	138.49
Total Revenue (A)		**86,061.05**	**64,576.89**	**47,023.25**	**33,551.04**	**22,224.09**
Expenses						
Purchase of stock-in-trade		74,398.53	56,484.73	40,865.32	29,379.25	19,567.71
Changes in inventory of stock in trade	AnnexureV, Note 14	(1,320.79)	(1,612.80)	(1,021.04)	(804.89)	(728.14)
Employee benefit expenses	AnnexureV, Note 15	1,486.06	1,340.62	873.37	686.65	453.12
Other Operational Costs	AnnexureV, Note 16	3,086.17	2,333.95	1,810.60	1,273.96	836.51
Finance Costs	AnnexureV, Note 17	908.24	723.61	556.76	425.85	260.19
Depreciation and amortisation	AnnexureV, Note 18	984.29	815.41	570.13	457.86	374.66
Other expenses	AnnexureV, Note 19	1,596.38	1,257.91	918.87	723.48	576.13
Total Expenses (B)		**81,138.88**	**61,343.43**	**44,574.01**	**32,142.16**	**21,340.18**
Profit / (Loss) before Taxation (A-B) (C)		**4,922.17**	**3,233.46**	**2,449.24**	**1,408.88**	**883.91**
Tax Expenses						
Current Tax		1,620.90	1,064.98	770.85	401.50	257.83
Deferred Tax charge		93.98	44.22	64.32	70.48	23.87
Tax in respect of earlier years		1.32	-	(0.18)	-	0.66
Total (D)		**1,716.20**	**1,109.20**	**834.99**	**471.98**	**282.36**
Net Profit/(Loss) after taxation (C-D) (E)		**3,205.97**	**2,124.26**	**1,614.25**	**936.90**	**601.55**
Net Profit / (Loss) Before Restatement Adjustments		**3,205.97**	**2,124.26**	**1,614.25**	**936.90**	**601.55**
Material Restatement Adjustments(F)	Annexure VI - A (ii)	6.82	(6.99)	(0.72)	2.50	3.39
Deferred Tax adjustments(G)	Annexure VI - A (iii)	0.46	0.06	0.19	(0.85)	(0.88)
Net Profit/(Loss) before the adjustments on account of changes in accounting policies (E+F+G)		**3,213.25**	**2,117.33**	**1,613.72**	**938.55**	**604.06**
Adjustments on account of changes in accounting policies		-	-	-	-	-
Net Profit/(Loss) before Minority Interest and Share in Net Loss of Associates		**3,213.25**	**2,117.33**	**1,613.72**	**938.55**	**604.06**
Minority Interest		0.46	0.44	-	-	-
Share in Net Loss of Associates		0.72	-	-	-	-
Net Profit/(Loss) as Restated		**3,212.07**	**2,116.89**	**1,613.72**	**938.55**	**604.06**

The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Consolidated Financial Information appearing in Annexure V and Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VI.

Annexure III
Restated Consolidated Statement of Cash Flows of Avenue Supermarts Limited

₹ in million

Particulars	For the Year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Cash Flow from Operating Activities:					
Restated Net Profit/(loss) before tax, after restatement adjustments	**4,928.99**	**3,226.47**	**2,448.52**	**1,411.38**	**887.30**
Adjustments for:					
Depreciation and Amortisation	984.29	815.41	570.13	457.86	374.66
Finance Costs	908.24	723.61	556.76	425.85	260.19
Loss on sale/discardment of fixed assets (Net)	8.46	14.37	5.54	4.91	5.64
Expenses on increase of share capital/ ESOP	-	1.45	0.55	-	1.93
Provisions no longer required written back	-	(1.52)	(2.95)	(3.98)	(1.82)
Sundry Balances written off	0.20	0.04	0.91	6.91	2.60
Interest Income	(6.17)	(5.01)	(11.09)	(3.32)	(5.83)
Dividend Income	-	-	-	-	(0.26)
Profit on Sale of Current Investments	(25.48)	(34.47)	(9.83)	(8.51)	(8.76)
Operating Profit/ (Loss) before Working Capital Changes	**6,798.53**	**4,740.35**	**3,558.54**	**2,291.10**	**1,515.65**
Adjusted for:					
Increase / (Decrease) in Trade Payables	732.98	(39.33)	284.13	297.24	197.78
Increase / (Decrease) in Provisions	12.72	16.60	2.33	(0.09)	8.44
Increase / (Decrease) in Other Current Liabilities	225.85	108.95	66.44	43.33	(3.89)
Increase / (Decrease) in Other long term Liabilities	0.88	36.41	(9.43)	20.47	(12.77)
(Increase) / Decrease in Trade Receivables	(13.43)	24.71	37.44	(76.57)	(31.24)
(Increase) / Decrease in Inventory	(1,320.79)	(1,612.80)	(1,021.04)	(804.89)	(728.14)
(Increase) / Decrease in Loans and Advances	(320.56)	(54.28)	(185.02)	(132.51)	(6.65)
(Increase) / Decrease in other current assets	(2.52)	1.40	(1.85)	0.23	(0.53)
(Increase) / Decrease in other non-current assets	(0.92)	(2.02)	-	(0.01)	-
	(685.79)	**(1,520.36)**	**(827.00)**	**(652.80)**	**(577.00)**
Cash generated from/ (used in) operations	**6,112.74**	**3,219.99**	**2,731.54**	**1,638.30**	**938.65**
Taxes paid (net)	1,641.35	999.81	750.14	367.37	285.01
Net cash generated from/ (used in) Operating Activities (A)	**4,471.39**	**2,220.18**	**1,981.40**	**1,270.93**	**653.64**
Cash Flow from Investing Activities:					
Inflows :					
Sale of Current Investments	33,365.49	29,044.77	6,445.84	1,943.21	1,403.24
Sale of tangible/non-tangible assets	19.94	4.65	11.19	4.89	0.31
Sale of Assets held for Sale (Refer Annexure V, Note : 12)	-	-	-	12.00	-
Dividend Received	-	-	-	-	0.26
Outflows :					
Purchase of Current Investments	(33,351.91)	(29,013.98)	(6,438.87)	(1,845.60)	(854.16)
Purchase of Non-current Investments	(136.36)	-	-	(29.00)	(5.99)
Purchase of tangible/non-tangible assets	(6,480.52)	(4,774.27)	(2,716.99)	(2,394.35)	(1,832.81)
Acquisiton of Minority Interest in Nahar Seth Jogani & Associates	-	-	(2.90)	-	-
Net Cash generated from/ (used in) Investing Activities (B)	**(6,583.36)**	**(4,738.83)**	**(2,701.73)**	**(2,308.85)**	**(1,289.15)**
Cash Flow from Financing Activities:					
Inflows :					
Increase in Share/Equity Capital (Including premium net of expenses)	-	325.89	46.09	139.95	358.03
Interest Income	6.00	4.84	11.07	3.21	6.45
Term Loans Received	-	2,950.00	2,150.00	1,998.20	1,253.11
Non Convertible Debentures Issued	3,500.00	2,000.00	-	-	-
Commercial Papers Issued (Net)	500.00	-	-	-	-
Working Capital Loans Received (Net)	366.33	-	298.91	190.33	33.33
Outflows :					
Repayment of Term Loans	(1,468.00)	(2,205.87)	(925.36)	(534.65)	(316.54)
Repayment of working capital loan (Net)	-	(103.21)	-	-	-
Repayment of Unsecured Loans	(6.20)	(6.50)	(376.00)	(200.00)	(150.00)
Finance Costs	(816.32)	(620.64)	(552.38)	(421.68)	(249.47)
Net Cash generated from/ (used in) in Financing Activities (C)	**2,081.81**	**2,344.51**	**652.33**	**1,175.36**	**934.91**
Net increase/(decrease) in Cash and Cash equivalents (A)+(B)+(C)	**(30.16)**	**(174.14)**	**(68.00)**	**137.44**	**299.40**
Cash and cash equivalents (Opening Balance)	372.16	546.30	614.30	476.86	177.46
Cash and cash equivalents (Closing Balance)	**342.00**	**372.16**	**546.30**	**614.30**	**476.86**
Cash and cash equivalents comprise of: (Refer Annexure V, Note - 11)	350.99	380.43	554.10	616.17	479.17
Less : Deposit under Lien	8.99	8.27	7.80	1.87	2.31
Total	**342.00**	**372.16**	**546.30**	**614.30**	**476.86**

Notes:

1)The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements.

2)The above statement should be read with Basis of Preparation and the Significant Accounting Policies, appearing in Annexure IV, Notes to the Restated Standalone Financial Information appearing in Annexure V and Statement of Adjustments to Audited Standalone Financial Statements appearing in Annexure VI.

1. General Information

Avenue Supermarts Limited (the "Company") is engaged in the business of organized retailand operates supermarkets under the brand name of "D-Mart" having presence in the west and southern regions of India. The Company has currently 110 operational stores as at March 31, 2016.

Subsidiaries considered in the Consolidated Financial Statements:

Shares held by holding company	As at					Country of Incorporation
	March 31,2016	March 31,2015	March 31,2014	March 31,2013	March 31,2012	
	% of Shareholding	% of Shareholding	% of Shareholding	% of Shareholding	% of Shareholding	
Equity Shares :						
Avenue Food Plaza Private Limited	100%	100%	100%	100%	100%	India
Align Retail Trades Private Limited	100%	100%	100%	100%	100%	India
Nahar Seth Jogani Developers Private Limited(#)	90%	90%	90%	0%	0%	India
Nahar Seth Jogani & Associates(#)	0%	0%	0%	88%	88%	India

Associate considered in the Consolidated Financial Statements:

Shares held by holding company	As at					Country of Incorporation
	March 31,2016	March 31,2015	March 31,2014	March 31,2013	March 31,2012	
	% of Shareholding	% of Shareholding	% of Shareholding	% of Shareholding	% of Shareholding	
Avenue E-commerce Limited	44.57%	-	-	-	-	India

(#)The Company had made investments in M/s Nahar Seth & Jogani Associates, Partnership firm. On February 21, 2014, Nahar Seth Jogani Developers P. Ltd. was incorporated under Part IX of the Companies Act 1956 and assets and liabilities of said Partnership Firm were taken over by the newly incorporated company. Consequent to the transaction, the Company has made an investment of ₹ 0.9 million in equity shares of Nahar Seth Jogani Developers P. Ltd. and advances of ₹82.67 million given to the partnership firm were transferred to the new company as Rent Deposit against a premises.

Disclosure relating to Net Assets and Share in Profit and Loss of entities considered in these Consolidated Financial information :

2015-16

Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilites		Share in Profit or Loss	
	As a % of Consolidated net Assets	Amount (₹ in million)	As a % of Consolidated net Assets	Amount (₹ in million)
Parent				
Avenue Supermarts Limited	99.21%	15,118.65	99.24%	3,181.91
Subsidiaries				
1 Align Retail Trades Private Limited	0.38%	57.92	0.16%	4.98
2 Avenue Food Plaza Private Limited	0.34%	52.06	0.46%	14.80
3 Nahar Seth & Jogani Developers Private Limited	0.07%	9.95	0.14%	4.52
Subtotal		**15,238.58**		**3,206.21**
Restatement Adjustments		(0.12)		7.28
Inter Company Elimination & Consolidation Adjustments		(33.19)		(0.24)
Grand Total		**15,205.27**		**3,213.25**
Minority Interest		(1.00)		(0.46)
Share of Net loss in Associates				(0.72)

2014-15

Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilites		Share in Profit or Loss	
	As a % of Consolidated net Assets	Amount (₹ in million)	As a % of Consolidated net Assets	Amount (₹ in million)
Parent				
Avenue Supermarts Limited	99.20%	11936.24	99.15%	2113.86
Subsidiaries				
1 Align Retail Trades Private Limited	0.44%	53.44	0.29%	6.13
2 Avenue Food Plaza Private Limited	0.31%	37.26	0.35%	7.53
3 Nahar Seth & Jogani Developers Private Limited	0.05%	5.43	0.21%	4.44
Subtotal		**12,032.37**		**2,131.96**
Restatement Adjustments		(7.40)		(6.93)
Inter Company Elimination & Consolidation Adjustments		(32.23)		(7.70)
Grand Total		**11,992.74**		**2,117.33**
Minority Interest		(0.54)		(0.44)

2013-14

Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilites		Share in Profit or Loss	
	As a % of Consolidated net Assets	Amount (₹ in million)	As a % of Consolidated net Assets	Amount (₹ in million)
Parent				
Avenue Supermarts Limited	99.19%	9503.34	98.96%	1596.32
Subsidiaries				
1 Align Retail Trades Private Limited	0.49%	46.88	0.53%	8.60
2 Avenue Food Plaza Private Limited	0.31%	29.73	0.51%	8.24
3 Nahar Seth & Jogani Developers Private Limited	0.01%	0.99	0.00%	(0.01)
Subtotal		**9,580.94**		**1,613.15**
Restatement Adjustments		(0.48)		(0.53)
Inter Company Elimination & Consolidation Adjustments		(24.53)		1.10
Grand Total		**9,555.93**		**1,613.72**
Minority Interest		(0.10)		-

2012-13

Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilites		Share in Profit or Loss	
	As a % of Consolidated net Assets	Amount (₹ in million)	As a % of Consolidated net Assets	Amount (₹ in million)
Parent				
Avenue Supermarts Limited	98.94%	7860.88	98.53%	924.19
Subsidiaries				
1 Align Retail Trades Private Limited	0.48%	37.77	0.68%	6.32
2 Avenue Food Plaza Private Limited	0.27%	21.48	0.79%	7.43
3 Nahar Seth Jogani & Associates	0.31%	25.00	0.00%	-
Subtotal		**7,945.13**		**937.94**
Restatement Adjustments		0.08		1.65
Inter Company Elimination & Consolidation Adjustments		(46.74)		(1.04)
Grand Total		**7,898.47**		**938.55**
Minority Interest		(3.00)		-

2011-12

Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilites		Share in Profit or Loss	
	As a % of Consolidated net Assets	Amount (₹ in million)	As a % of Consolidated net Assets	Amount (₹ in million)
Parent				
Avenue Supermarts Limited	99.25%	6796.25	98.05%	591.78
Subsidiaries				
1 Align Retail Trades Private Limited	0.18%	12.09	0.99%	5.97
2 Avenue Food Plaza Private Limited	0.20%	13.99	0.96%	5.80
3 Nahar Seth Jogani & Associates	0.37%	25.00	0.00%	-
Subtotal		**6,847.33**		**603.55**
Restatement Adjustments		(1.56)		2.51
Inter Company Elimination & Consolidation Adjustments		(25.80)		(2.00)
Grand Total		**6,819.97**		**604.06**
Minority Interest		(3.00)		-

2. Summary of significant Accounting Policies

2.1. Basis of Preparation

The Restated Consolidated Statement of Assets and Liabilities of the Group as at March 31, 2016, 2015, 2014, 2013 and 2012 and the Restated Consolidated Statement of Profit and Loss and the Restated Consolidated Statement of Cash flows, for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 (together referred as 'Restated Consolidated Financial Information') and Other Consolidated Financial Information have been extracted by the management from the Audited Consolidated Financial Statements of the Group for the respective years ("Audited Consolidated Financial Statements").

The Audited Consolidated Financial Statements were prepared to comply in all material respect with the generally applicable accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, the Audited Consolidated Financial Statements for the years ended March 31, 2016 and March 31, 2015 had been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

The Audited Consolidated Financial Statements of the Group for the years ended March 31, 2014, March 31, 2013 and March 31, 2012 had been prepared to comply in all material respect with the generally applicable accounting principles in India under the historical cost convention on accrual basis and comply in all material aspects with the accounting standards issued by The Institute of Chartered Accountants of India, in particular Accounting Standard 21 - 'Consolidated Financial Statements', to the extent considered relevant by it for the purpose for which the Audited Consolidated Financial Statements have been prepared. These Audited Consolidated Financial Statements are not the statutory financial statements of the Group.

The Restated Consolidated Financial Information and Other Consolidated Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the Company with BSE Limited and National Stock Exchange of India Limited (together 'the stock exchanges'), in accordance with the requirements of:

(a) Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013; and
(b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time read along with the SEBI circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (together referred to as the "SEBI Regulations").

These Restated Consolidated Financial Information and other financial information have been extracted by the Management from the Audited Consolidated Financial Statements and :

• there were no audit qualifications on these financial statements,
• there were no changes in accounting policies during the years of these financial statements,
• material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted,
• adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the Audited Consolidated Financial Statements of the Group as at and for the year ended March 31, 2016 and the requirements of the SEBI Regulations, and
• the resultant tax impact on above adjustments has been appropriately adjusted in deferred tax in the respective years and the impact of current tax in respect of short/excess income tax arising out of assessments, appeals, revised income tax returns, etc., has been adjusted in the current tax of respective years to which they relate.

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

These Restated Consolidated Financial Information and Other Consolidated Financial Information were approved by the IPO Committee of the Board of Directors of the Company on September 29, 2016.

Principles of consolidation:

Subsidiaries:

i) In respect of Subsidiary companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra group transaction and resulting unrealised profits / losses as per Accounting Standard (AS 21) "Consolidated Financial Statements". The results of subsidiaries are included from the date of acquisition of a controlling interest.

ii) The excess of cost to the Group of its investments in subsidiary companies over its share of equity and reserves of its subsidiary companies at the dates, on which investments are made, is recognised in the financial statements as Goodwill. The excess of Group's share of equity and reserves of its subsidiary companies over the cost of acquisition is treated as Capital Reserve. As at each Balance Sheet date an assessment is done as to whether there is any indication that goodwill on consolidation may be impaired. If any such indication exists, an estimate of the recoverable amount is made. The goodwill on consolidation is impaired when the carrying value exceeds the recoverable amount.

iii) Minority interest in the net assets of consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

iv) Minority interest in the subsidiaries consists of:
a) amount of equity attributable to minorities at the date on which investment in a subsidiary is made and
b) minority's share of movements in equity since the day the parent subsidiary relationship comes into existence.

Associates:

Investments in associate companies have been accounted for by using the equity method of accounting whereby the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the Company's share of net assets of the associate companies.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

2.2. Use of estimates

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.

2.3. Fixed Assets

Tangible Assets:

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Losses arising from the retirement of and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

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 straight line basis over their estimated useful lives

Gains or losses arising from the retirement or disposal proceeds and the carrying amount of the asset are recognized as income or expense in the Statement of Profit and Loss.

2.4. Method of Depreciation

i) Effective 1st April 2014, the Company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Companies Act 2013, as against the earlier practice of depreciating at the rates prescribed in Schedule XIV to the Companies Act 1956.

ii) Depreciation on additions to fixed assets during the year is provided on pro rata basis from the date of such addition.

iii) Cost of Software is amortized over a period of five years.

2.5. Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments and are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

Investment Property: Investments in building 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 carried at cost less accumulated depreciation.

2.6. 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.

2.7.Revenue Recognition

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Retail sales and revenues are recognized 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. Sales are net of discounts.

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.

2.8. Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currency and outstanding at the Balance Sheet date are translated at the exchange rates prevailing at the close of the year.
Exchange differences are recognized as income or expense in the period in which they arise.

2.9. Taxation

Income-tax expense comprises current tax and deferred tax. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year and in accordance with income tax law. . The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure realisation.

2.10. Impairment of Assets

Impairment of assets is ascertained at each balance sheet date, if there are any indications of impairment based on internal / external factors. An impairment loss is recognized in the Profit and Loss Account, whenever the carrying amount of an asset exceeds its recoverable amount.

2.11. Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to revenue.

2.12. Employee Benefits

Defined Contribution Plans such as Provident Fund etc., are charged to the statement of Profit and Loss Account as incurred.

Defined Benefit Plans - The present value of the obligation under such plan is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Profit and Loss Account. . In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis. Termination benefits are recognised as and when incurred.

2.13. Provisions, Contingent liabilities and Contingent Assets

i) Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

ii) Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

iii) Contingent Assets : Contingent Assets are not recongnised or disclosed in the financial statements.

2.14. Employee Share based Payments

Equity settled stock options granted under "Employee Stock Option Plan" are accounted as per the accounting treatment prescribed by Guidance Note on Employee Share – based payments issued by the Institute of Chartered Accountants of India. The intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to employee stock option outstanding account. The Deferred employee compensation is charged to the statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion and credit to deferred employee compensation expenses equal to the unamortised portion

2.15 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 or other systematic basis more representative of the time pattern of the user's benefits.

2.16. Earnings per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share are the net profit for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.17.Cash and Cash Equivalents

In the Cash flow Statement,Cash and Cash equivalents includes cash in hand, demand deposits with banks with original maturities of three months or less.

Annexure V-Notes to the Restated Consolidated Financial Information of Avenue Supermarts Limited

₹ in million

Note 1 - Share Capital	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Authorised:					
Equity Share Capital					
75,00,00,000 Equity Shares of ₹ 10 each	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00
Issued, Subscribed and Paid up:					
Equity Shares of ₹ 10 each, fully paid up	5,615.43	5,615.43	5,467.53	5,440.59	5,335.39
Total	**5,615.43**	**5,615.43**	**5,467.53**	**5,440.59**	**5,335.39**

₹ in million

a) Reconciliation of Number of Equity Shares	As at March 31,2016		As at March 31,2015		As at March 31,2014		As at March 31,2013		As at March 31,2012	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Balance as at the beginning of the year	561,542,680	5,615.43	546,752,880	5,467.53	544,058,845	5,440.59	533,539,300	5,335.39	505,850,000	5,058.50
Add : Equity Shares issued	-	-	14,789,800	147.90	2,694,035	26.94	10,519,545	105.20	27,689,300	276.89
Balance as at the end of the year	**561,542,680**	**5,615.43**	**561,542,680**	**5,615.43**	**546,752,880**	**5,467.53**	**544,058,845**	**5,440.59**	**533,539,300**	**5,335.39**

b) Equity Shareholders holding shares more than 5%	As at March 31,2016		As at March 31,2015		As at March 31,2014		As at March 31,2013		As at March 31,2012	
	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding
Equity Shares :										
Mr. Radha Kishan Damani	281,930,000	50.21%	281,930,000	50.21%	284,800,000	52.09%	284,800,000	52.35%	289,000,000	54.17%
Mr. Gopi Kishan Damani	74,980,000	13.35%	74,980,000	13.35%	75,000,000	13.72%	75,000,000	13.79%	75,000,000	14.06%
M/s Bright Star Investments P Ltd.	88,750,000	15.80%	88,750,000	15.80%	88,750,000	16.23%	88,750,000	16.31%	88,750,000	16.63%

Notes:

1.The Company has only one class of equity shares having a par value of ₹ 10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

2. During the FY 2014-15, the Company had issued 4151800 nos. of equity shares pursuant to the Avenue Supermarts Limited 'Employees Stock Options Scheme 2013' ("Scheme") announced in the year 2013-14 for the employees.(Refer Note 32)

Annexure V-Notes to the Restated Consolidated Financial Information of Avenue Supermarts Limited

₹ in million

Note 2 -Reserves and Surplus	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Securities Premium Account					
Balance as at the beginning of the year	316.96	136.97	117.82	83.07	-
Add : Securities Premium Credited on issue of Equity Shares	-	179.99	19.15	34.75	83.07
Balance as at the end of the year	**316.96**	**316.96**	**136.97**	**117.82**	**83.07**
Share Options Outstanding Account					
Balance at the beginning of the year	**-**	**0.55**	**-**	**-**	**-**
Add: Expense on Employee Stock Option Scheme(Refer Note 32)	**-**	**1.45**	**0.55**	**-**	**-**
Less : Adjusted against allotment of shares	**-**	**2.00**	**-**	**-**	**-**
Balance at the end of the year	**-**	**-**	**0.55**	**-**	**-**
Debenture Redemption Reserve					
Balance at the beginning of the year	**56.80**	**-**	**-**	**-**	**-**
Add: Amount transferred from Surplus in Statement of Profit and Loss	**226.40**	**56.80**	**-**	**-**	**-**
Balance at the end of the year	**283.20**	**56.80**	**-**	**-**	**-**
Surplus/ (Deficit) in Statement of Profit and Loss					
Balance as at the beginning of the year (Refer Annexure VI.5)	6,003.01	3,950.78	2,337.06	1,398.51	794.45
Less: Additional Depreciation (pursuant to enactment of Schedule II to the Companies Act, 2013) Refer Note - 8	-	7.86	-	-	-
Less : Transfer to Debenture Redemption Reserve	226.40	56.80	-	-	-
Add : Profit for the year as restated	3,212.07	2,116.89	1,613.72	938.55	604.06
Balance as at the end of the year	**8,988.68**	**6,003.01**	**3,950.78**	**2,337.06**	**1,398.51**
Total	**9,588.84**	**6,376.77**	**4,088.30**	**2,454.88**	**1,481.58**

Annexure V-Notes to Restated Consolidated Financial Information of Avenue Supermarts Limited

₹ in million

Note 3 - Deferred Tax Liabilities (Net)	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Deferred tax liability on account of					
Depreciation	413.46	315.85	272.91	206.60	144.65
Deferred tax asset on account of					
Employee benefits	14.81	11.18	8.32	6.33	14.86
Deferred tax asset/(liability) on account of restatement adjustments					
Sundry Balances Write off	0.05	(0.12)	(0.46)	(0.72)	(0.83)
Provision no longer required wriiten back	(0.05)	0.58	0.98	1.43	0.69
Total	**398.65**	**305.13**	**265.11**	**200.98**	**129.65**

Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.

₹ in million

Note 4 - Long Term Provisions	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Provision for Employee Benefits					
-For Gratuity (Refer Note - 28)	1.73	1.29	0.76	0.41	0.12
Total	**1.73**	**1.29**	**0.76**	**0.41**	**0.12**

₹ in million

Note 5 - Trade Payables	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Trade payables					
- Micro and Small Enterprises Creditors(Refer Note 21)	8.04	1.88	4.17	5.64	8.93
- Others	1,910.27	1,183.25	1,221.77	938.21	634.75
Total	**1,918.31**	**1,185.13**	**1,225.94**	**943.85**	**643.68**

₹ in million

Note 6 - Other Current Liabilities	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Current maturities of long-term debt (Refer Annexure VII & VII(A)	1,553.07	1,468.01	1,293.26	925.36	530.24
Creditors for Capital goods	434.61	217.79	155.47	238.88	233.20
Overdrawn bank balances (as per books)	1.98	2.35	3.22	10.76	8.95
Escrow Deposits Received*	99.51	-	-	-	-
Employees Related Liabilities	231.21	153.21	80.66	51.92	36.21
Statutory Dues	183.76	147.60	113.28	72.69	35.61
Income received in Advance	19.79	10.24	8.16	4.57	15.40
Other Liabilities	5.14	2.14	1.27	0.21	0.65
Interest accrued but not due on borrowings	240.91	148.99	46.02	41.64	37.47
Total	**2,769.98**	**2,150.33**	**1,701.34**	**1,346.03**	**897.73**

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

₹ in million

Note 7 - Short-term Provisions	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Provision for Employee Benefits (Refer Note 28)					
Provision For Gratuity	14.94	12.67	3.99	7.41	14.59
Provision For Compensated Absences	39.54	29.45	22.14	16.74	9.94
Provision for Taxation					
For Income Tax (Net of prepaid taxes)	110.12	135.89	61.90	37.71	3.17
For Wealth Tax	-	0.04	-	-	-
Total	**164.60**	**178.05**	**88.03**	**61.86**	**27.70**

Annexure V-Notes to the Restated Consolidated Financial Information of Avenue Supermarts Limited

Note 8- FIXED ASSETS 2015-16

₹ in million

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION					NET BLOCK
	As at April 01,2015	Additions	Disposal / Adjustments	Cost as at March 31,2016	As at April 01,2015	For the Year	Additional Depreciation	Deductions / Adjustments	As at March 31,2016	As at March 31,2016
A. TANGIBLES ASSETS										
Freehold Land	3,487.32	1,225.48	-	4,712.80	-	-	-	-	-	4,712.80
Leasehold Land	2,532.56	830.07	-	3,362.63	156.68	37.52	-	-	194.20	3,168.43
Leasehold Improvements	51.15	114.00	0.02	165.13	17.85	6.65	-	-	24.50	140.63
Building	9,413.10	3,380.70	0.81	12,792.99	1,402.89	440.49	-	0.10	1,843.28	10,949.71
Furniture & Fixtures	904.57	332.42	15.79	1,221.20	497.09	138.37	-	11.55	623.91	597.29
Plant & Machinery	512.82	272.07	23.96	760.93	180.94	79.18	-	11.56	248.56	512.37
Office Equipments	125.02	57.30	4.53	177.79	70.45	32.89	-	3.68	99.66	78.13
Computers	301.57	117.83	13.48	405.92	203.17	76.44	-	10.78	268.83	137.09
Electrical Installations	814.86	294.21	6.35	1,102.72	406.74	143.34	-	2.07	548.01	554.71
Vehicles	61.55	22.96	2.38	82.13	27.83	14.44	-	0.75	41.52	40.61
TOTAL (A)	**18,204.52**	**6,647.04**	**67.32**	**24,784.24**	**2,963.64**	**969.32**	**-**	**40.49**	**3,892.47**	**20,891.77**
B. INTANGIBLE ASSETS										
Software	116.73	21.12	2.02	135.83	76.89	16.12	-	0.45	92.56	43.27
Trademarks	0.16	0.10	-	0.26	0.07	0.06	-	-	0.13	0.13
TOTAL (B)	**116.89**	**21.22**	**2.02**	**136.09**	**76.96**	**16.18**	**-**	**0.45**	**92.69**	**43.40**
TOTAL	**18,321.41**	**6,668.26**	**69.34**	**24,920.33**	**3,040.60**	**985.50**	**-**	**40.94**	**3,985.16**	**20,935.17**
CAPITAL WORK-IN-PROGRESS										816.87

Note 8- FIXED ASSETS 2014-15

₹ in million

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION					NET BLOCK
	As at April 01,2014	Additions	Disposal / Adjustments	Cost as at March 31,2015	As at April 01,2014	For the Year	Additional Depreciation (Refer Note - 2 below)	Deductions / Adjustments	As at March 31,2015	As at March 31,2015
A. TANGIBLES ASSETS										
Freehold Land	2,677.61	809.71	-	3,487.32	-	-	-	-	-	3,487.32
Leasehold Land	1,925.23	607.33	-	2,532.56	126.18	30.50	-	-	156.68	2,375.88
Leasehold Improvements	46.82	4.37	0.04	51.15	13.34	4.72	-	0.21	17.85	33.30
Building	7,119.66	2,295.02	1.58	9,413.10	1,061.53	341.59	-	0.23	1,402.89	8,010.21
Furniture & Fixtures	710.22	211.01	16.66	904.57	392.20	117.31	0.89	13.31	497.09	407.48
Plant & Machinery	392.09	126.09	5.36	512.82	126.27	58.11	0.13	3.57	180.94	331.88
Office Equipments	92.04	36.84	3.86	125.02	32.23	37.30	3.49	2.57	70.45	54.57
Computers	230.68	83.66	12.77	301.57	144.41	65.29	4.96	11.49	203.17	98.40
Electrical Installations	639.68	181.13	5.95	814.86	276.80	133.56	1.09	4.71	406.74	408.12
Vehicles	37.12	24.98	0.55	61.55	17.52	10.65	0.03	0.37	27.83	33.72
TOTAL (A)	**13,871.15**	**4,380.14**	**46.77**	**18,204.52**	**2,190.48**	**799.03**	**10.59**	**36.46**	**2,963.64**	**15,240.88**
B. INTANGIBLE ASSETS										
Software	97.72	19.48	0.47	116.73	61.52	14.47	1.38	0.48	76.89	39.84
Trademarks	0.07	0.09	-	0.16	0.07	-	-	-	0.07	0.09
		-	-							
TOTAL (B)	**97.79**	**19.57**	**0.47**	**116.89**	**61.59**	**14.47**	**1.38**	**0.48**	**76.96**	**39.93**
TOTAL	**13,968.94**	**4,399.71**	**47.24**	**18,321.41**	**2,252.07**	**813.50**	**11.97**	**36.94**	**3,040.60**	**15,280.81**
CAPITAL WORK-IN-PROGRESS										981.17

Note 8- FIXED ASSETS 2013-14

₹ in million

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION					NET BLOCK
	As at April 01,2013	Additions	Disposal / Adjustments	Cost as at Marh 31,2014	As at April 01,2013	For the Year	Additional Depreciation	Deductions / Adjustments	As at March 31,2014	As at March 31,2014
A. TANGIBLES ASSETS										
Freehold Land	2,191.07	486.54	-	2,677.61	-	-	-	-	-	2,677.61
Leasehold Land	1,599.79	325.44	-	1,925.23	96.48	29.70	-	-	126.18	1,799.05
Leasehold Improvements	31.06	24.64	8.88	46.82	14.02	4.22	-	4.90	13.34	33.48
Building	5,399.19	1,720.47	-	7,119.66	791.12	267.40	-	(3.01)	1,061.53	6,058.13
Furniture & Fixtures	570.87	155.77	16.42	710.22	308.73	95.69	-	12.22	392.20	318.02
Plant & Machinery	299.17	95.46	2.54	392.09	93.21	34.56	-	1.50	126.27	265.82
Office Equipments	63.90	30.12	1.98	92.04	22.56	10.92	-	1.25	32.23	59.81
Computers	180.94	52.96	3.22	230.68	108.61	38.79	-	2.99	144.41	86.27
Electrical Installations	513.80	131.33	5.45	639.68	208.07	70.84	-	2.11	276.80	362.88
Vehicles	22.18	15.70	0.76	37.12	13.36	4.72	-	0.56	17.52	19.60
TOTAL (A)	**10,871.97**	**3,038.43**	**39.25**	**13,871.15**	**1,656.16**	**556.84**	**-**	**22.52**	**2,190.48**	**11,680.67**
B. INTANGIBLE ASSETS		-	-							
Software	78.38	19.34	-	97.72	47.54	13.98	-	-	61.52	36.20
Trademarks	0.07	-	-	0.07	0.07	-	-	-	0.07	-
TOTAL (B)	**78.45**	**19.34**	**-**	**97.79**	**47.61**	**13.98**	**-**	**-**	**61.59**	**36.20**
TOTAL	**10,950.42**	**3,057.77**	**39.25**	**13,968.94**	**1,703.77**	**570.82**	**-**	**22.52**	**2,252.07**	**11,716.87**
CAPITAL WORK-IN-PROGRESS										887.82

Note 8- FIXED ASSETS 2012-13

₹ in million

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION					NET BLOCK
	As at April 01,2012	Additions	Disposal / Adjustments	Cost as at March 31,2013	As at April 01,2012	For the Year	Additional Depreciation	Deductions / Adjustments	As at March 31,2013	As at March 31,2013
A. TANGIBLES ASSETS										
Freehold Land	1,465.43	725.64	-	2,191.07	-	-	-	-	-	2,191.07
Leasehold Land	1,593.89	5.90	-	1,599.79	75.03	21.45	-	-	96.48	1,503.31
Leasehold Improvements	29.10	1.96	-	31.06	7.32	6.70	-	-	14.02	17.04
Building	4,558.66	840.56	0.03	5,399.19	574.89	216.23	-	-	791.12	4,608.07
Furniture & Fixtures	480.88	98.90	8.91	570.87	239.32	77.26	-	7.85	308.73	262.14
Plant & Machinery	233.59	69.06	3.48	299.17	68.62	26.92	-	2.33	93.21	205.96
Office Equipments	48.99	16.47	1.56	63.90	16.81	6.70	-	0.95	22.56	41.34
Computers	135.79	52.26	7.11	180.94	82.64	32.29	-	6.32	108.61	72.33
Electrical Installations	441.36	79.52	7.08	513.80	160.78	52.29	-	5.00	208.07	305.73
Vehicles	21.37	1.11	0.30	22.18	10.71	2.93	-	0.28	13.36	8.82
TOTAL (A)	**9,009.06**	**1,891.38**	**28.47**	**10,871.97**	**1,236.12**	**442.77**	**-**	**22.73**	**1,656.16**	**9,215.81**
B. INTANGIBLE ASSETS										
Software	55.00	23.42	0.04	78.38	37.27	10.29	-	0.02	47.54	30.84
Trademarks	0.07	-	-	0.07	0.07	-	-	-	0.07	-
TOTAL (B)	**55.07**	**23.42**	**0.04**	**78.45**	**37.34**	**10.29**	**-**	**0.02**	**47.61**	**30.84**
TOTAL	**9,064.13**	**1,914.80**	**28.51**	**10,950.42**	**1,273.46**	**453.06**	**-**	**22.75**	**1,703.77**	**9,246.65**
CAPITAL WORK-IN-PROGRESS										1,181.09

Note 8- FIXED ASSETS 2011-12

₹ in million

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION					NET BLOCK
	As at April 01,2011	Additions	Disposal / Adjustments	Cost as at March 31,2012	As at April 01,2011	For the Year	Additional Depreciation	Deductions / Adjustments	As at March 31,2012	As at March 31,2012
A. TANGIBLES ASSETS										
Freehold Land	1,008.28	469.79	12.64	1,465.43	-	-	-	-	-	1,465.43
Leasehold Land	1,593.89	-	-	1,593.89	53.68	21.35	-	-	75.03	1,518.86
Leasehold Improvements	17.61	11.49	-	29.10	2.33	4.99	-	-	7.32	21.78
Building	3,209.21	1,349.05	(0.40)	4,558.66	401.87	173.03	-	0.01	574.89	3,983.77
Furniture & Fixtures	387.25	101.10	7.47	480.88	173.52	71.58	-	5.78	239.32	241.56
Plant & Machinery	187.08	50.51	4.00	233.59	51.04	20.99	-	3.41	68.62	164.97
Office Equipments	35.45	14.24	0.70	48.99	11.46	6.14	-	0.79	16.81	32.18
Computers	111.01	30.25	5.47	135.79	63.85	23.61	-	4.82	82.64	53.15
Electrical Installations	358.49	86.49	3.62	441.36	116.99	46.49	-	2.70	160.78	280.58
Vehicles	14.44	9.90	2.97	21.37	7.86	3.22	-	0.37	10.71	10.66
TOTAL (A)	**6,922.71**	**2,122.82**	**36.47**	**9,009.06**	**882.60**	**371.40**	**-**	**17.88**	**1,236.12**	**7,772.94**
B. INTANGIBLE ASSETS										
Software	47.42	7.58	-	55.00	31.54	5.73	-	-	37.27	17.73
Trademarks	0.07	-	-	0.07	0.07	-	-	-	0.07	-
TOTAL (B)	**47.49**	**7.58**	**-**	**55.07**	**31.61**	**5.73**	**-**	**-**	**37.34**	**17.73**
TOTAL	**6,970.20**	**2,130.40**	**36.47**	**9,064.13**	**914.21**	**377.13**	**-**	**17.88**	**1,273.46**	**7,790.67**
CAPITAL WORK-IN-PROGRESS										849.36

Notes to Fixed Assets :

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

	Land				₹ in million	Building constructed on the Land				₹ in million
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Gross Block	151.94	151.94	151.94	151.94	151.94	434.20	151.79	147.64	147.64	147.53
Net Block	136.86	138.39	139.92	141.46	142.99	387.24	110.17	111.45	117.32	123.38

2. Transition adjustment consequent to enactment of Schedule II of Companies Act, 2013. In accordance with the provisions of Schedule II of the Companies Act 2013, in case of fixed assets which have completed their useful life as at 1st April 2014, the carrying value (net of residual value) amounting to ₹ 7.86 million (net of taxes ₹ 4.14 million) as a transitional provision has been recognised in the Retained Earnings.

3. Land value includes ₹ 1580.29 million (March 31, 2015 : ₹ 633.55 million, March 31, 2014 : ₹ 106.53 million, March 31, 2013 : ₹ Nil, March 31, 2012 : ₹ Nil) Lacs being property puchased, for which mutation is pending.

4. Building includes ₹ Nil (March 31, 2013 : ₹ 132.55 million, March 31, 2012 : ₹ 132.55 million) pertaining to property purchased and capitalized pending registration.

Annexure V-Notes to the Restated Consolidated Financial Information of Avenue Supermarts Limited

₹ in million

Note 9 - Other Non Current Assets	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Margin Money Deposits with Banks (Held as lien by bank against bank guarantees)	2.93	2.01	-	-	-
Long term deposits with banks with maturity period more than 12 months	0.06	0.06	0.05	0.05	0.04
Total	**2.99**	**2.07**	**0.05**	**0.05**	**0.04**

₹ in million

Note 10 - Inventories	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Stock in Trade (For method of valuation of inventory, Refer Annecure IV ,Note:2.6)	6,716.88	5,396.09	3,783.29	2,762.25	1,957.36
Total	**6,716.88**	**5,396.09**	**3,783.29**	**2,762.25**	**1,957.36**

₹ in million

Note 11 - Cash and Bank Balances	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
(i) Cash and Cash Equivalents					
a. Cash on hand	75.71	127.20	286.52	164.80	60.37
b. Balance with Banks					
- In current accounts	265.89	244.82	258.92	444.99	315.44
- Demand deposits (Less than 3 months maturity)	0.01	-	-	-	100.00
(ii) Other Bank Balances					
- Balances with banks to the extent held as margin money (Held as lien by bank against Bank guarantees)	8.99	8.27	7.80	1.87	2.31
- Bank Deposits with maturity more than 3 months but less than 12 months					
(iii) Remittance in transit	0.39	0.14	0.86	4.51	1.05
Total	**350.99**	**380.43**	**554.10**	**616.17**	**479.17**

₹ in million

Note 12 - Other Current Assets	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Interest accrued on Bank Deposits	0.63	0.46	0.29	0.27	0.16
Interest accrued on Advances & Deposits	3.42	1.07	2.64	0.81	1.15
Asset Held for sale	-	-	-	-	12.64
Total	**4.05**	**1.53**	**2.93**	**1.08**	**13.95**

Annexure V Notes to the Restated Consolidated Financial Information of Avenue Supermarts Limited

₹ in million

Note 13 - Revenue from Operations	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Sales of : Own Merchandise	91,477.43	68,633.43	49,879.98	35,524.78	23,500.91
Consignment Merchandise	882.59	969.97	899.05	886.17	647.20
Less : Value Added Tax	(5,937.27)	(4,512.55)	(3,251.66)	(2,321.76)	(1,597.66)
Less : Cost of Consignment Merchandise	(767.82)	(844.15)	(771.50)	(759.46)	(516.20)
Other Operating Income	226.26	147.63	109.01	78.81	51.35
Total Revenue from operations	**85,881.19**	**64,394.33**	**46,864.88**	**33,408.54**	**22,085.60**

₹ in million

Note 14 -Changes in inventory of Stock-in-Trade	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Closing Stock	6,716.88	5,396.09	3,783.29	2,762.25	1,957.36
Opening Stock	5,396.09	3,783.29	2,762.25	1,957.36	1,229.22
Total	**(1,320.79)**	**(1,612.80)**	**(1,021.04)**	**(804.89)**	**(728.14)**

₹ in million

Note 15 - Employee Benefit Expenses	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Salaries, Allowances and Others	1,343.92	1,232.85	796.53	637.12	421.14
Expense on Employee Stock Option Scheme (Refer Note 32)	-	1.45	0.55	-	-
Contribution to Provident Fund and Other Funds*	58.23	42.07	32.94	23.66	11.68
Employee Welfare Expenses	83.91	64.25	43.35	25.87	20.30
Total	**1,486.06**	**1,340.62**	**873.37**	**686.65**	**453.12**

₹ in million

* Contribution to Provident Fund and Other Funds	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Amount recognised in the Statement of Profit and Loss					
(i) Provident fund paid to the authorities	17.81	12.87	10.07	7.24	3.57
(ii) Pension fund paid to the authorities	40.42	29.20	22.87	16.42	8.11
Total	**58.23**	**42.07**	**32.94**	**23.66**	**11.68**

₹ in million

Note 16 - Other Operational Costs	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Contract Labour Charges	1,518.94	1,171.30	937.03	617.70	398.05
General Cleaning Expenses	161.56	130.00	105.58	72.39	53.05
Rent(Refer Note 25)	203.88	131.84	87.58	74.03	50.88
Electricity & Fuel Charges	792.36	593.34	453.06	348.40	225.81
Security Charges	409.43	307.47	227.35	161.44	108.72
Total	**3,086.17**	**2,333.95**	**1,810.60**	**1,273.96**	**836.51**

Annexure V Notes to the Restated Consolidated Financial Information of Avenue Supermarts Limited

₹ in million

Note 17 - Finance Costs	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Interest on term loans from banks	639.54	712.35	600.67	438.68	280.41
Interest on Non Convertible Debentures	305.52	97.37	-	-	-
Interest Others	69.99	20.99	28.95	59.24	61.57
	1,015.05	**830.71**	**629.62**	**497.92**	**341.98**
Less : Capitalised	(110.62)	(112.46)	(76.20)	(74.84)	(84.32)
	904.43	**718.25**	**553.42**	**423.08**	**257.66**
Finance Charges	3.81	5.36	3.34	2.77	2.53
Total	**908.24**	**723.61**	**556.76**	**425.85**	**260.19**

₹ in million

Note 18 - Depreciation and Amortisation Expenses	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Depreciation on Tangible assets (Refer Annexure V (Note-8))	969.32	799.03	556.84	442.77	371.40
Amortisation on Intangible assets (Refer Annexure V (Note-8))	16.18	14.47	13.98	10.29	5.73
- Investment Property (Refer Annexure X)	6.49	6.81	7.07	7.07	6.24
	991.99	**820.31**	**577.89**	**460.13**	**383.37**
Less : Capitalzed	7.70	4.90	7.76	2.27	8.71
Total	**984.29**	**815.41**	**570.13**	**457.86**	**374.66**

₹ in million

Note 19 -Other Expenses	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Insurance	7.15	6.78	5.66	4.13	1.91
Rates and Taxes	107.63	87.65	72.93	70.46	63.06
Repairs and Maintenance:					
- Building	90.14	93.98	58.68	37.19	33.28
- Plant and Machinery	121.47	93.00	71.22	61.63	34.72
- Others	111.88	65.26	62.82	54.09	46.53
Administrative Expenses	99.72	86.55	60.63	61.20	50.69
Legal and Professional Fees	75.53	72.62	23.56	20.82	15.22
Travelling and Conveyance	88.69	69.88	44.58	36.09	28.35
Payment to Auditors					
- Audit Fees	3.54	3.77	3.42	2.84	2.28
- Other Services	0.05	0.06	0.07	0.61	0.07
- Reimbursement of Expenses	0.04	0.08	0.09	0.12	0.19
Donation Paid	0.36	0.25	2.92	0.27	0.13
Miscellaneous Expenses	164.08	113.92	81.34	54.37	31.40
Selling and Distribution Expenses	660.84	500.20	368.57	266.64	224.38
Expenditure towards Corporate Social Responsibility (CSR) activites(Refer Note 31)	49.78	21.69	-	-	-
Sundry Balances written off	0.70	1.03	1.68	7.22	7.29
Expenses on increase in Share Capital	-	-	-	-	1.93
Freight Outward	6.32	26.82	54.99	40.89	29.06
Loss on sale/discardment of fixed assets (Net)	8.46	14.37	5.54	4.91	5.64
Exchange Loss/(Gain) (Net)	-	-	0.17	-	-
Total	**1,596.38**	**1,257.91**	**918.87**	**723.48**	**576.13**

NOTE - 20 The amount held in trust by the Company of ₹ 1.99 million was under a Court Order in relation to a fraud of ₹ 2.00 million (pertaining to the Financial year 2008-09) in cash handled by an external agency appointed personnel.

NOTE - 21 The details of amounts outstanding to Micro and Small Enterprises under the Micro and Small Enterprises Development Act, 2006 (MSED Act), based on the available information with the Company are as under:

₹ in million

		As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
1	Principal amount due and remaining unpaid	0.25	0.28	0.06	0.11	0.26
2	Interest due on (1) above and the unpaid interest	0.10	0.04	0.00*	0.01	0.07
3	Interest paid on all delayed payments under the MSMED Act	-	-	-	-	-
4	Payment made beyond the appointed day during the year	-	-	-	-	-
5	Interest due and payable for the period of delay other than (3) above	0.10	0.04	0.00*	0.01	0.07
6	Interest accrued and remaining unpaid	-	-	-	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-	-	-	-

*The amount is below the rounding off norms adopted by the company.

NOTE - 22 As per the requirements 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 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 one more independent director was completed only on 17th May, 2016. The Company has made an application for compounding the delay in appointment of second Independent Director to the Central Government.

NOTE - 23 The Company has not entered into any derivative transactions during these years. Unhedged foreign currency exposure at the end of each of these years is NIL.

NOTE - 24 **As per Accounting Standard 18 - Related Party Disclosures.**

(a) Relationships

(i) Shareholders who exercise control:
Mr. Gopikishan Damani
Mr. Radhakishan Damani
Mrs. Kirandevi Damani
Mrs. Shrikantadevi Damani
M/s. Bright Star Investments Private Limited

(ii) Directors :
Mr. Ramakant Baheti
Mr. Ignatius Navil Noronha
Mr.Ramesh Damani(Independent Director, w.e.f. 09.09.2009)
Mrs.Manjri Chandak
Mr.Elvin Machado(w.e.f. 10.06.0215)
Mr.Sadanand M Padhye(upto 04.08.2012)
Mr.Chandrashekhar Bhave(Independent Director, w.e.f. 17.05.2016)

(iii) Relatives and enterprises of (i) and (ii) above, where transactions have taken place :
Mrs. Kajal Ignatius Noronha
Mrs. Rekha Baheti
M/s. Damani Estate and Finance Private Ltd

(iv) Associate Enterprises
M/s. Avenue E Commerce Ltd.

(b) Transaction with related parties

₹ in million

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Expenses :					
Remuneration paid					
- Mr. Ignatius Navil Noronha	179.55	135.45	56.95	5.21	23.94
- Mr. Ramakant Baheti	7.50	44.08	4.08	4.36	26.40
- Mr. Elvin Machado	3.88	-	-	-	-
- Mr. Sadanand padhya	-	-	-	7.04	5.27
Finance :	-	-	-	-	-
Equity share capital issued (Including Share Premium)	-	-	-	-	-
- Mr. Radha Kishan Damani	-	-	-	-	140.00
- Mrs. Shrikantadevi Damani					60.00
- Mr. Ignatius Navil Noronha	-	120.00	-	-	36.50
- Mr. Ramakant Baheti	-	30.00	-	-	14.25
- Mr. Sadanand padhya	-	-	-	2.62	0.72
- Mrs. Kajal Ignatius Navil Noronha					10.00
- Mrs. Rekha Baheti					5.75
Loan taken					
- Mr. Gopikishan Damani	11.30	17.50	24.00	-	-
Outstandings					
Directors remunaration Payable	-	-	-	0.42	0.42
Guarantee commitments (taken)				Refer Note below	

Guarantees taken by the Company from related parties :

₹ in million

Type of Loan	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Secured Loans	5,312.66	5,395.12	5,384.19	4,860.65	3,206.77
(Personal guarantees of Mr. Radhakishan Damani and Mr. Gopikishan Damani)	-	-	-	-	-
Unsecured Loan (Personal guarantees of Mr. Radhakishan Damani, Mr. Gopikishan Damani, Mrs.Kirandevi Damani , Mrs.Shrikantadevi Damani and Company referred in (a) (iii))	-	-	-	400.00	600.00

NOTE - 25 Disclosures as per AS - 19 Lease :

I. Premises and fixed assets given on operating lease :

The total future minimum lease rental receivable at the Balance Sheet date is as under:

₹ in million

	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012
Lease rent Income recognized in the Profit and Loss Account of the current year Including contingent rent : ₹ 0.30 million (March 31, 2015 : ₹ 0.30 million, March 31,2014 : ₹ 0.38 million, March 31, 2013 : ₹ 0.41 million, March 31, 2012 : ₹ 0.22 million)	126.87	125.23	77.30	72.10	60.35
- For a period not later than one year	121.46	128.61	70.48	30.16	64.84
- For a period later than one year and not later than 5 years	133.79	179.70	144.68	104.90	60.98
- For a period later than five years	3.61	25.90	46.65	72.66	40.50

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 as the higher of (a) fixed minimum guarantee amount and (b) revenue share percentage.

II. Premises taken on operating lease :

₹ in million

	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012
Lease rent Expenses recognized in the Profit and Loss Account of the current year	203.88	131.84	87.58	74.03	50.88
The total future minimum lease rent payable at the Balance Sheet date :	-	-	-	-	-
- For a period not later than one year	178.14	127.76	104.69	82.61	66.81
- For a period later than one year and not later than 5 years	587.60	573.79	371.47	305.25	275.89
-For a period later than five years	-	-	1,066.65	162.57	218.90

Premises are taken on operating lease for various agreement periods ranging from 3 years to 9 years.

NOTE - 26 Capital Commitments

₹ in million

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Estimated amounts of contracts remaining to be executed on capital account and not provided for (Net of advances)	4,886.55	3,821.42	2,431.38	1,421.11	468.14

NOTE - 27 Contingent Liabilities

Claims against company not acknowledged as debts.

₹ in million

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Income Tax Matters	2.95	2.06	4.63	2.73	48.22
VAT Matters	31.98	25.92	32.81	1.06	2.12
Service Tax Matters	6.91	6.91	-	-	-
Other Matters	6.31	5.18	0.08*	0.08	-

*The above excludes notices received for recovery of dues amounting to ₹ 24.11 million pertaining to a premises acquired by the Company. As per the terms of the agreement with the seller of the premises in the event of a liability devolving on the Company ,the same shall be recoverable from the Seller.

It is not practiable for the Company to estimate the timings of cash outflows , if any in respect of above pending resolutions of the respective proceedings.

NOTE - 28 Disclosure in terms of Accounting Standard 15-Employee Benefits:

a. Defined Benefit Plans - Gratuity :

i) Reconciliation of opening and closing balances of Defined Benefit obligation:

₹ in million

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Defined Benefit obligation at beginning of the year	54.08	35.55	22.83	14.71	9.86
Current Service Cost	12.89	9.64	7.62	4.73	3.78
Interest Cost	4.35	3.30	1.83	1.25	0.82
Actuarial (gain) / loss	4.47	6.96	4.39	3.03	0.55
Benefits paid	(2.84)	(1.37)	(1.12)	(0.89)	(0.30)
Defined Benefit obligation at year end	72.95	54.08	35.55	22.83	14.71

ii) Expense recognized under employment costs during the year :

₹ in million

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Current Service Cost	12.89	9.64	7.62	4.73	3.78
Interest Cost	4.35	3.30	1.83	1.25	0.82
Expected Returns on Plan Assets	(3.23)	(2.68)	(1.31)	-	-
Actuarial (gain) / loss	4.21	4.32	4.82	3.02	0.55
Net Cost	18.22	14.58	12.96	9.00	5.15

iii) Actuarial assumptions

₹ in million

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Mortality Table (LIC)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	LIC(1994-96)Ult	LIC(1994-96)Ult	LIC(1994-96)Ult
Discount rate (per annum)	7.84%	8.04%	9.29%	8.00%	8.50%
Rate of escalation in salary (per annum)	8.00%	8.00%	8.00%	7.00%	7.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

iv) Fair Value of Plan Assets

₹ in million

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Fair Value of plan assets at the beginning of the period	40.12	30.80	15.01	-	-
Expected Returns On The Plan Assets	3.23	2.68	1.31	-	-
Contributions	12.67	4.00	14.91	15.00	-
Benefit paid from the fund	-	-	-	-	-
Acturial Gains/(Losses) on Plan Assets	0.26	2.64	(0.43)	0.01	-
Fair Value of Plan Assets At The End of The Period	56.28	40.12	30.80	15.01	-

v) Actual Returns On Plan Assets

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Expected Returns On The Plan Assets	3.23	2.68	1.31	-	-
Acturial Gains/(Losses) on Plan Assets	0.26	2.64	(0.43)	0.01	-
Actual Retun On Plan Assets	3.49	5.32	0.88	0.01	-

vi) Amount Recognised In The Balance Sheet

₹ in million

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Fair Value of Plan Assets At The End of The Period	56.28	40.12	30.80	15.01	-
Present Value of Benefit Obligation As the End Of The Period	(72.95)	(54.08)	(35.55)	(22.83)	(14.71)
Net Liability /Assets Recognised In The Balance Sheet	(16.67)	(13.96)	(4.75)	(7.82)	(14.71)

vii)

₹ in million

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Expected Contribution to trust in next year	14.94	12.67	3.99	7.41	-

₹ in million

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Defined Benefit obligation	72.95	54.08	35.55	22.83	14.71
Plan Asset	56.28	40.12	30.80	15.01	-
Surplus / Deficit	16.67	13.96	4.75	7.82	14.71

₹ in million

		For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012
b)	Amount recognized in the Profit and Loss Account under the defined contribution plan	58.23	42.07	32.94	23.66	11.68

NOTE - 29 Value of imports calculated on CIF basis:

₹ in million

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Traded Goods	1,870.67	1,360.67	378.90	124.82	-
Capital Goods	33.79	9.70	-	13.43	27.50

NOTE - 30 Expenditure in Foreign Currency:

₹ in million

	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012
Foreign Branch Expenses	14.02	8.96	-	-	-
Others	3.39	4.09	4.50	3.49	2.41

NOTE - 31 Expenditure towards Corporate Social Responsibility (CSR) activites:

Gross amount required to be spent by the company during the year FY 2015-16 ₹ 46.85 million

Sr No	Particulars	In Cash	Yet to be paid in Cash	Total
i)	Construction/acquisition of any asset	-	-	-
ii)	On purposes other than (i) above	49.78	-	49.78
		49.78	**-**	**49.78**

Gross amount required to be spent by the company during the year FY 2014-15 ₹ 31.21 million

Sr No	Particulars	In Cash	Yet to be paid in Cash	Total
i)	Construction/acquisition of any asset	-	-	-
ii)	On purposes other than (i) above	21.69	-	21.69
		21.69	**-**	**21.69**

NOTE - 32 Employee Stock option Plan

The ESOP Committee of the Board of Directors of Avenue Supermarts Limited had granted Stock Options to certain eligible employees pursuant to the Avenue Supermarts Limited 'Employees Stock Options Scheme 2013' ("Scheme").The Vesting period was 1 year from the Grant date and the Exercise period is 3 months from Vesting date. The Scheme is administered by the ESOP Committee and as per the scheme, the Company shall issue not more than 35,000 Options per Employee under this Scheme. The details of options is as under :

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Number of Options granted , exercised and forfeited					
Balance as the beginning of the year	-	4,276,800.00	-	-	-
Granted during the year	-	-	4,276,800.00		
Less:- Exercised during the year	-	(4,151,800.00)			
Forefeited / Lapsed during the Year	-	(125,000.00)	-	-	-
Balance as at the end of the Year	-	-	4,276,800.00	-	-
Percentage to current paid up equity share capital	*0%*	*0%*	0.78%	*0%*	*0%*

The Company has applied the intrinsic value based method of accounting for determining compensation cost for its stock based compensation plan and has accordingly accounted for year 2014-2015 ₹ 1.48 million as compensation cost under the 'intrinsic value' method. Had the Company considered 'fair value' method for accounting of compensation cost, the Company's net income and Basic and Diluted earnings per share as reported would have reduced to the pro-forma amounts as indicated:

₹ in million

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Net Profit after Tax as per restated	3,212.07	2,116.89	1,613.72	938.55	604.06
Less:- Stock based employee compensation expenses	-	13.25	4.93	-	-
Adjusted Pro-forma	3,212.07	2,103.64	1,608.79	938.55	604.06
Basic Earning per share reported ₹	5.72	3.87	2.96	1.74	1.19
Pro-forma basic earning per share ₹	N.A.	3.85	2.95	N.A.	N.A.
Diluted earning per share as reported ₹	5.72	3.87	2.95	1.74	1.19
Pro-forma diluted earning per share ₹	N.A.	3.85	2.95	N.A.	N.A.

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Risk free Interest rate	N.A.	8.36%	8.36%	0%	0%
Expected Volatility		50.49%	50.49%	0%	0%
Dividend Yield		-	-	-	-

NOTE - 33 The Company regards the business of retail as a single reportable segment. Further, the Company operates within single geographical segment. Accordingly, disclosures required under Accounting Standard – 17 "Segment Reporting" are not applicable.

NOTE - 34 Since the Company is not engaged in any manufacturing activity, disclosures on account of Raw Material Consumption/ Value of Imported and Indigenous Material Consumed are not applicable.

NOTE - 35 The Company is dealing in a large number of products, viz. household goods, crockery and cutlery, grocery, foodstuff, apparels, etc. In view of the multiplicity of items sold in terms of product characteristics, the disclosure under broad heads in respect of purchases and sales as required under Section 129 of the Companies Act, 2013 is not practically possible.

Annexure VI-Restated Statement on Adjustments to Audited Consolidated Financial Statements of Avenue Supermarts Limited

Summarized below are the restatement adjustments made to the audited financial statements for the year ended March 31, 2016, 2015, 2014, 2013, and 2012 their impact on the profit / (loss) of the Company:

₹ in million

Particulars	For the Year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
A. Adjustments:					
Material Restatement Adjustments					
(Excluding those on account of changes in accounting policies):					
(i) Audit Qualifications	-	-	-	-	-
Total:	-	-	-	-	-
(ii) Other material adjustments					
(a) Sundry balances written off (Refer Note VI.A2.1)	0.50	0.99	0.77	0.31	4.69
(b) Provisions no longer required written back (Refer Note VI.A2.2)	(1.83)	(1.15)	(1.31)	2.19	(1.96)
(c) Incremental Provision for Bonus - Active & Elligible Employees (Refer Note VI.A2.3)	6.83	(6.83)	-	-	-
(d) Impact on Tax in Respect of Earlier Years (Refer Note VI.A2.4)	1.32	-	(0.18)	-	0.66
Total:	**6.82**	**(6.99)**	**(0.72)**	**2.50**	**3.39**
(iii) Deferred Tax Adjustments(Refer Note VI.A.4)	0.46	0.06	0.19	(0.85)	(0.88)
B. Adjustments on account of changes in accounting policies :	-	-	-	-	-
Total:	-	-	-	-	-
Total impact of Adjustments (A+B)	**7.28**	**(6.93)**	**(0.53)**	**1.65**	**2.51**

Annexure VI (continued..)

Statement on Adjustments to Audited Consolidated Financial Statements of Avenue Supermarts Limited

Notes

A) Adjustments

1 **Adjustments for Audit Qualifications: None**

2 **Other Material Adjustments**

1. In the audited financial statements of the company for the years ended March 31,2016, 2015 , 2014 , 2013 , 2012 , certain amounts have been written off for which advances have been given to vendors which are considered bad & doubtful hence are appropriately adjusted in the respective years to which they relate.

2. In the audited financial statements of the Company for the years ended March 31,2016, 2015, 2014, 2013, 2012 , certain provisions/ liabilities created in earlier years were written back. For the purpose of this statement, the said provisions/ liabilities have been appropriately adjusted in the respective years in which they were originally created.

3. The Payment of Bonus Act, 1965 (‘ the Act”) has been amended vide the Payment of Bonus (Amendment) Act, 2015. The Act has been amended to take retrospective effect w.e.f. April 01, 2014 and accordingly revised bonus (including arrears related to the year ended March 31, 2015) is required to be paid to the eligible employees. Hence, the Company has recognized statutory bonus of ₹ 6.83 million relating for the year ended March 31, 2015. The same will form part of salaries, allowances and others with a corresponding amount included in Employees Related Liabilities payable as at March 31, 2015.

4.In the audited financial statements of the Group for the year ended March 31, 2012 to 2016 taxes have been accounted for pertaining to earlier years based on return of income and / or intimations/ orders received from Income-tax authorities. For the purpose of these statements, such items have been appropriately adjusted to the respective years to which they relate.

3 **Changes in Accounting Policy : None**

4 **Tax Adjustments :**The tax rate applicable for the respective periods/years has been used to calculate the deferred tax impact on other material adjustments.

5 **Opening Reserve Reconciliation**

Surplus in the Statement of Profit and Loss as at April 1, 2011

₹ in million

Surplus in Statement of Profit and Loss, as per audited Balance Sheet as at April 1, 2011	798.43
Adjustment on account of Restatements:-	
Other Material Adjustments:	
(a) Sundry balances written off (Refer Note VI.A.1)	(7.26)
(b) Sundry balances written back (Refer Note VI.A.2)	4.06
(c) Impact on Tax in Respect of Earlier Years (Refer Note VI.A2.4)	(1.80)
Deferred Tax Adjustments(Refer Note VI.A.4)	1.02
Balance as per Restated Consolidated Financial Information as at April 1, 2011	**794.45**

Annexure VI (continued..)
Statement on Adjustments to Audited Consolidated Financial Statements of Avenue Supermarts Limited
B) Auditor's Comment in Company Auditor's Report Order - Non - Adjusting Items :-

Statutory Auditors have made the following comments in terms with the requirements of the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Companies act, 2013 of India for Financial Year 2014-15:

FY 2015-16

Emphasis of Matter:
We draw attention to Note 43 in the consolidated financial statements for the year ended March 31, 2016 regarding the delay in appointment of one independent director by the Holding Company as per the requirements of Sec.149 of the Companies Act 2013 and the rules made thereunder. The Holding Company has since made an application for compounding to the Central Government as of the date of this report. Our opinion is not qualified in respect of this matter (Also refer Annexure V, Note 22 in the restated standalone financial information).

FY 2014-15

Clause 7
(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 Employees state insurance, income tax, service tax, value added tax, local body tax, profession tax, works contract tax and labour welfare fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, sales tax, wealth tax, duty of customs, duty of excise and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2015, for a period of more than six months from the date they became payable are as follows:

Name of the Company	Relationship	Name of the statute	Nature of dues	₹ in million	Period to which the amount relates	Due date	Date of Payment
Avenue Supermarts Ltd.	Holding Company	Maharashtra Valued Added Tax Act 2002	Works Contract Tax	0.12	Aug-14	21-Sep-14	21-Nov-15
Align Retail Trades Private Limited	Subsidiary	Providend Fund Act, 1952	Works Contract Tax	0.03	Mar-14	15-Apr-14	15-Apr-15

(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, wealth-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, 2015 which have not been deposited on account of a dispute are as follows:

Name of the Company	Relationship	Name of the statute	Nature of dues	₹ in million	Period to which the amount relates	Forum where the dispute is pending
Avenue Supermarts Limited	Holding Company	Finance Act, 1994	Service Tax	6.91	2008-2013	Commissioner
Avenue Supermarts Limited	Holding Company	Gujarat Value Added Tax Act, 2003	Value Added Tax	16.77	2011-2013	Commercial Taxes Department
Avenue Supermarts Limited	Holding Company	Gujarat Value Added Tax Act, 2003	Value Added Tax	2.33	2008-2009	Commercial Taxes Department
Avenue Supermarts Limited	Holding Company	Gujarat Value Added Tax Act, 2003	Value Added Tax	2.72	2009-2010	Commercial Taxes Department
Avenue Supermarts Limited	Holding Company	Gujarat Value Added Tax Act, 2003	Value Added Tax	4.1	2010-2011	Commercial Taxes Department
Avenue Supermarts Limited	Holding Company	Income Tax Act, 1961	Income Tax	1.07	2009-2010	Appellate Tribunal
Avenue Supermarts Limited	Holding Company	Income Tax Act, 1961	Income Tax	1.17	2010-2011	Appellate Tribunal

Annexure VII-Restated Consolidated Statement of Secured Borrowings of Avenue Supermarts Limited

₹ in million

Particulars	As at				
	March 31, 2016	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**	**March 31, 2012**
Long term borrowings					
Secured term loans:					
From banks	3,584.69	5,137.75	4,568.37	3,711.62	2,643.19
Non Convertible Debentures	5,500.00	2,000.00	-	-	-
	9,084.69	**7,137.75**	**4,568.37**	**3,711.62**	**2,643.19**
Short term borrowings					
Secured					
Working Capital Loans from Banks	785.69	419.36	522.57	223.66	33.33
Current portion of Secured long term borrowings, included in Other Current Liabilities (Refer Annexure V, Note - 6)	1,553.07	1,468.01	1,293.26	925.36	530.24
Total	**11,423.45**	**9,025.12**	**6,384.20**	**4,860.64**	**3,206.76**

Annexure VII (A)

Restated Consolidated Statement of Principal Terms of Secured Borrowings outstanding as at March 31, 2016 of Avenue Supermarts Limited

Sl. No.	Lender	Nature of Facility (Term Loan-INR, Working Capital Facility-Cash credit, NCD)	Loan currency	Amount Outstanding as at March 31, 2016 (₹ in Million)	Rate of Interest %	Repayment Terms	Other Principal Terms and Conditions
1	HDFC BANK	Term Loan	INR	272.59	10.60%	Moratorium period of 24 months . Repayment in 60 EMI after 2 years from 1 st Drawdown	Note no.1
2	HDFC BANK	Term Loan	INR	272.59	10.60%	Moratorium period of 24 months . Repayment in 60 EMI after 2 years from 1 st Drawdown	
3	HDFC BANK	Term Loan	INR	318.14	10.75%	Moratorium period of 24 months . Repayment in 60 EMI after 2 years from 1 st Drawdown	
4	HDFC BANK	Term Loan	INR	136.46	11.10%	Moratorium period of 24 months . Repayment in 60 EMI after 2 years from 1 st Drawdown	
5	HDFC BANK	Term Loan	INR	227.43	11.10%	Moratorium period of 24 months . Repayment in 60 EMI after 2 years from 1 st Drawdown	
6	HDFC BANK	Term Loan	INR	363.80	11.00%	Moratorium period of 24 months . Repayment in 60 EMI after 2 years from 1 st Drawdown	
7	HDFC BANK	Term Loan	INR	198.70	11.35%	Moratorium period of 18 months . Repayment in 54 EMI.	
8	HDFC BANK	Term Loan	INR	60.02	11.50%	Moratorium period of 18 months . Repayment in 54 EMI.	
9	HDFC BANK	Term Loan	INR	54.56	11.50%	Moratorium period of 18 months . Repayment in 54 EMI.	
10	HDFC BANK	Term Loan	INR	3.60	11.50%	Moratorium period of 18 months . Repayment in 54 EMI.	
11	HDFC BANK	Term Loan	INR	95.43	11.50%	Moratorium period of 18 months . Repayment in 54 EMI.	
12	HDFC BANK	Term Loan	INR	81.93	11.30%	Moratorium period of 18 months . Repayment in 54 EMI.	
13	HDFC BANK	Term Loan	INR	47.63	11.35%	Moratorium period of 18 months . Repayment in 54 months	
14	HDFC BANK	Term Loan	INR	12.80	11.50%	Moratorium period of 18 months . Repayment in 54 months	
15	HDFC BANK	Term Loan	INR	14.47	11.50%	Moratorium period of 18 months . Repayment in 54 months	
16	HDFC BANK	Cash Credit	INR	319.76	10.00%	Payable on demand	Note no. 4
17	HDFC BANK	NCD	INR	1,000.00	9.40%	Repayable in 3 to 5 years	Note no. 7
18	HDFC BANK	NCD	INR	1,000.00	9.10%	Repayable in 2 to 4 years	Note no. 8*
19	HDFC BANK	NCD	INR	500.00	9.10%	Repayable in 2 to 4 years	Note no. 9*
20	KOTAK BANK	Term Loan	INR	1,275.00	10.60%	Moratorium period of 12 months. Repayment in 60 monthly installment.	Note no. 2
21	KOTAK BANK	Term Loan	INR	316.30	11.35%	Moratorium period of 12 months. Repayment in 60 monthly installment under as- 13th to 71 th month - ₹ 16.7 million p.m and last month installment ₹14.7 million.	
22	KOTAK BANK	Term Loan	INR	316.30	10.75%	Moratorium period of 12 months. Repayment in 60 monthly installment under as- 13th to 71 th month - ₹ 16.7 million p.m and last month installment ₹14.7 million.	
23	KOTAK BANK	Term Loan	INR	350.00	11.25%	Moratorium period of 12 months. Loan repayment by 60 monthly installment of ₹ 12.5 million after moratorium period.	
24	KOTAK BANK	Term Loan	INR	100.00	10.50%	Moratorium period of 12 months. Loan repayment by 60 monthly installment of ₹ 12.5 million after moratorium period.	
25	KOTAK BANK	Cash credit	INR	120.08	10.00%	Payable on demand	Note no. 5
26	KOTAK BANK	Cash credit	INR	150.78	9.50%	Payable on demand	Note no. 5
27	KOTAK BANK (ING)	Term Loan	INR	140.00	10.80%	Moratorium period of 2 years. Repayment in 16 equal quarterly installments from the quarter immediately ending after moratorium period.	Note no. 2
28	HSBC	Term Loan	INR	480.00	9.70%	Moratorium period of 6 months. Repayment in quarterly installments starting at end of 6 months from first disbursement.	Note no. 3
29	ICICI Bank	Cash Credit	INR	195.08	9.35%	Payable on demand	Note no. 6
30	SBI Life Insurance Co. Ltd	NCD	INR	900.00	10.38%	Repayable in 5 years	Note no. 10
31	ICICI Prudential	NCD	INR	1,100.00	10.00%	Repayable in 3 to 5 years	Note no. 11
32	ICICI Prudential	NCD	INR	1,000.00	9.25%	Repayable in 3 years	Note no. 12
			Total	**11,423.45**			

Note No. 1

First pari passu charge over immovable fixed assets situated at

1 *Reservation No.181A Cts No.4747 4748 & 4749 Ground + One Upper Floor Situated At Chinchwad Pune*
2 *Plot No.38/2 D-Mart At Budhwarpet In The Revenue Village Solapur, Taluka And Registration Sub-District Of North Solapur*
3 *132 Feet Road Vejalpur. Ahmedabad D-Mart Nr.Tv 9 Office Jivraj Park F.P.No.210 T.P.S.1 Vejalpur*
4 *Hulgeshwari Road, Ichalkaranji*
5 *D Mart S.No.132/1A Majrewadi Jule Solapur Road Vijapur Road Solapur Taluka Solapur*
6 *Building B3 Cerebrum S.No.14 Situated At Kumar City Vadgaonsheri Pune S.No.13B/1*
7 *City Gold Mall,Old Revenue Survey No. 183 Hissa No. 2 Block No. 334A And Now Bearing Final Plot No. 65 Of Tps No. 52 At Ring Road, Ahmedabad*
8 *Entire Basement First Second And Third Floor In Scheme Known As Sangath Mall Ii Mouje Motera*
9 *D Mart Opp New Viva Collage, Y.K Nagar Road, Bolinj Virar (W)*
10 *Ground Floor & Basement Amar Megaplex S.No.106 Hissa No 1/1 1/3 1/6 & S.No.110 Hissa No 11/24 Situated At Baner Pune*
11 *Sangath Mall-Iii Nr.Chirag Diamond India Colony Bapunagar F.P.No.145/1 Tps No-12 Mouje Asarwa*
12 *D-Mart Regent Square Nr.Mahalaxmi Temple Adajan Road Surat*
13 *Revenue Survey Nos. 121 To 124 Paiki, Block No. 121/A/1, T.P. Scheme No. 21 Original Plot No. 61/A/1, Final Plot No. 61/2A Near Bapa Sitaram Row House, Sarthana Jakatnaka, Surat Kamrej Road Of Village Sarthana, Taluka Surat*
14 *Plot No 1, Sector 34, Pimpri Chinchwad Road, Pune*
15 *Plot No.105, Sector No.7, Village-Kopar Khairane, Navi Mumbai, Maharashtra*
16 *Cts No 10973/80, S.No. 442/3, 100 Feet Road D Ward Gulmohar Colony Sangli - 416416*
17 *Entire Gr. Floor First Floor And Parking In Scheme Known As Shivalik Corporate Park Mouje- Jodhpur*
18 *Plot No.D, 54, A/2,A/5/,A/6A/7 River Park Society Near Madhav Residency Ved Road Village Singanpore Aluka Surat City District Surat*
19 *Lc No.1 Sector No.29 Situated At Pcntda Village Ravet Tal Haveli District Pune Nigdi*
20 *Plot No 42 & 45 Sectro 5 Village New Panvel Taluka Panvel*
21 *Plot No 22, Located At Ghansoli, Navimumbai*
22 *D Mart Opp. Raneshwar Soc,Near Hp Petrol Pump,Vasna Road,Vadodara,R.S. No. 334/1 T.P. No. 15 F.P. No. 166 Paiki,Plot No 166 Paikki Of Mouje Saited Vasna*
23 *City Survey No. 666,Plot No. K-107,City Survey No. 667,And Plot No. K-106,City Survey No. 668 And Plot No.K-105,Mouje Vallabh Vidyanagar Sub-District & Registration District Anand*
24 *Revenue Survey No. 257 To 260,City Survey No. 549,T.P. Scheme No. 1,Final Plot No. 549/1 Paiki,Mouje Akota,Sub-District & Registration District Vadodara*
25 *Revenue Survey No. 284,Hissa No. 1 And Survey No. 286,Hissa No. 1,City Survey No. 2183,Mouje Tarsali Makarpuaa Main Road,Makarpura Sub-District & Registration District Vadodara*
26 *Revenue Survey No.59,City Survey No. 1390,T.P. Scheme No. 18,Final Plot No. 183 Paiki,Mouje Manjalpur,Sub-District & Registration Distict Vadodara*

Note no. 2

First pari passu charge over immovable fixed assets situated at

1 *Mulund*
2 *Nalasopara*
3 *Dahisar*
4 *Kandivali*
5 *Aundh*
6 *Bommasandra*
7 *Sanath Nagar*
8 *Ambegaon*
9 *Siddhapura*

Note No. 3

First pari passu charge over immovable fixed assets situated at

1 *Sanpada*
2 *Nerul*
3 *Powai*

Note No. 4

First pari passu charge over receivables and current assets and personal guarantees of R. S. Damani and G. S. Damani

Note No. 5

First pari passu hypothecation charge on all existing and future current assets of the borrower and Personal guarantees of R.S. Damani and G. S. Damani

Note no. 6

First pari passu charge over receivables and current assets

Note no. 7

Various commercial properties situated at

1 *Mira road*
2 *Malad*
3 *Wagle Estate*

Note no. 8

Various commercial properties situated at

1 *Antrix*
2 *Nadiad*
3 *Ishana*
4 *Indore*
5 *Ramanthpur*
6 *Boisar*

*Creation of charge in favour of debenture trustee for non convertible debentures for 1000 millions.

Note no. 9

Commercial property situated at

1 *Ambernath*

**Creation of charge in favour of debenture trustee for non convertible debentures for 500 millions.*

Note no. 10

Various commercial properties situated at

1 *Hinjewadi*
2 *Kalyan*
3 *Amravati*

Note no. 11

Various commercial properties situated at

1 *Kandivali*
2 *Malad*
3 *NSL*

Note no. 12

Various commercial properties situated at

1 *Kavesar*
2 *Kolshet*
3 *Wagale Estate*
4 *Nanded*

Annexure VIII-Restated Consolidated Statement of Unsecured Borrowings of Avenue Supermarts Limited

₹ in million

Particulars	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Short term borrowings					
Unsecured					
Commercial paper	500.00	-	-	-	-
From Others	-	-	-	400.00	600.00
From Loan from Related Party (Refer Annexure V, Note 24)	11.30	17.50	24.00	-	-
Total	**511.30**	**17.50**	**24.00**	**400.00**	**600.00**

Notes :

1. There are no amounts payable to Directors or Promoters or entity related to Directors or Promoters of the company except as disclosed above.
2. The list of persons/entity classified as "Promoters and promoter group Company" has been provided by the management and relied upon by the auditors.

Annexure IX- Restated Consolidated Statement of Other Long Term Liabilities of Avenue Supermarts Limited

₹ in million

Particulars	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Rent Deposits	161.72	160.84	124.43	133.86	113.39
Total	**161.72**	**160.84**	**124.43**	**133.86**	**113.39**

Annexure X-Restated Consolidated Statement of Investments of Avenue Supermarts Limited

₹ in million

Particulars	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Non-current investments					
Trade Investments:					
Unquoted Instruments					
Cost of Building given on operating lease	186.10	188.67	188.67	188.67	159.69
Less : Accumulated Depreciation	49.59	43.10	36.29	29.22	22.15
Net Block	136.51	145.57	152.38	159.45	137.54
Government Securities					
National Saving Certificate	0.00*	0.03	0.03	0.03	0.01
(Deposited with Government department as security)					
Investment in Associates					
Avenue E-commerce Limited	138.96	-	-	-	-
Less : Share of loss for the year	(0.72)				
Sub-total (A)	**274.75**	**145.60**	**152.41**	**159.48**	**137.55**
Current Investments					
Others					
Non-traded, Unquoted					
Units of HDFC Cash Management Fund (March 31, 2016 : 239,823.46, March 31, 2015 : 239,823.46, March 31, 2014 : 114855.73, March 31, 2012 : 423696.92)	18.56	6.66	2.98	-	9.10
HDFC Cash Management Fund - Savings Plan - Growth (March 31, 2013 : 5,504 Units, March 31, 2012 : 5,504 Units)	-	-	-	0.12	0.12
HDFC Cash Management Fund - Liquid Premium Plan - Growth (March 31, 2012 : 37,24,551 Units)	-	-	-	-	80.00
Sub-total (B)	**18.56**	**6.66**	**2.98**	**0.12**	**89.22**
Total (A+B)	**293.31**	**152.26**	**155.39**	**159.60**	**226.77**

* The amount is below rounding off norms adopted by the Company.

Annexure XI-Restated Consolidated Statement of Trade Receivables of Avenue Supermarts Limited

₹ in million

Particulars	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Trade Receivable					
Trade receivables (Debts outstanding for a period more than six months from the date they were due for payment)					
Secured considered good	-	-	-	-	-
Unsecured considered good					
Unsecured considered doubtful					
Less : Provision for Doubtful Debts	-	-	-	-	-
Total (A)	-	-	-	-	-
Trade receivables (Debts outstanding for a period less than six months from the date they were due for payment)					
Secured considered good	84.16	70.73	95.44	132.88	56.31
Unsecured considered good					
Unsecured considered doubtful					
Less : Provision for Doubtful Debts	-	-	-	-	-
Total (B)	84.16	70.73	95.44	132.88	56.31
Total current trade receivables	**84.16**	**70.73**	**95.44**	**132.88**	**56.31**

Note:

1. There are no amounts recoverable from Directors or Promoters of the Company.
2. The list of persons/entity classified as "Promoters and promoter group Company" has been provided by the management and relied upon by the auditors.

Annexure XII-Restated Consolidated Statement of Loans & Advances of Avenue Supermarts Limited

₹ in million

Particulars	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Long-term loans and advances: [A]					
Unsecured and Considered good					
Rent Deposits	100.28	53.35	42.56	33.23	-
Other Deposits	107.12	76.49	60.04	50.27	63.30
Capital Advances	845.52	644.44	304.73	427.89	275.52
Advance Taxes (Net of provisions)	20.69	27.33	18.51	14.85	14.44
Cash held in trust by Company (Refer Annexure V, Note 20)	-	-	-	-	1.99
Total (A)	**1,073.61**	**801.61**	**425.84**	**526.24**	**355.25**
Short-term loans and advances: [B]					
Unsecured and Considered good					
Advances Recoverable in Cash or in Kind or in value to be received	380.56	258.28	299.41	232.01	119.25
Advances to Subsidiary Companies	-	-	-	-	-
Prepaid Expenses	52.01	27.93	40.42	11.71	5.80
Balance with Government Authorities	20.57	16.72	11.37	1.06	-
Advances to Suppliers	261.02	169.80	99.02	48.92	53.94
Loans and Advances to Staff	9.75	8.69	4.53	1.03	0.89
Total (B)	**723.91**	**481.42**	**454.75**	**294.73**	**179.88**
Total (A+B)	**1,797.52**	**1,283.03**	**880.59**	**820.97**	**535.13**

Note:

1. There are no amounts recoverable from Directors or Promoters of the Company.
2. The list of persons/entity classified as "Promoters and promoter group Company" has been provided by the management and relied upon by the auditors.

Annexure XIII-Restated Consolidated Statement of Other Income of Avenue Supermarts Limited

₹ in million

Particulars	Nature (Recurring/ Non-recurring)	For the year ended				
		March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Other Income:						
Interest	Recurring	6.17	5.01	11.09	3.32	5.83
Rent and Amenities Service Income	Recurring	140.88	136.81	128.78	125.61	115.16
Dividend Income on Current Investments	Recurring	-	-	-	-	0.26
Profit on Sale of Current Investments	Recurring	25.48	34.47	9.83	8.51	8.76
Provisions no longer required written back	Recurring	1.83	2.67	4.26	1.79	3.78
Exchange Gain / (Loss) (Net)	Recurring	0.48	0.31	-	0.15	0.93
Miscellaneous Income	Recurring	5.02	3.29	4.41	3.12	3.77
Total		**179.86**	**182.56**	**158.37**	**142.50**	**138.49**
Add/(Less) Restatement adjustments						
Provisions no longer required written back	Refer Annexure VI - A (ii) (b)	(1.83)	(1.15)	(1.31)	2.19	(1.96)
Total Restatement Adjustments		**(1.83)**	**(1.15)**	**(1.31)**	**2.19**	**(1.96)**
Other income net of restatement adjustments		**178.03**	**181.41**	**157.06**	**144.69**	**136.53**

Note :

1. The classification of income into recurring and non-recurring is based on the current operations and business activities of the Company.
2. All items of Other Income are from normal business activities.

Annexure XIV-Restated Consolidated Statement of Accounting Ratios of Avenue Supermarts Limited

Sr. No.	Particulars	For the year ended				
		March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
1	Restated Profit / (Loss) after Tax (₹ in million)	3,212.07	2,116.89	1,613.72	938.55	604.06
2	Net Profit / (Loss) available to Equity Shareholders (₹ in million)	3,212.07	2,116.89	1,613.72	938.55	604.06
3	Weighted average number of Equity Shares outstanding during the year - Basic	561,542,680	547,077,040	545,051,229	538,110,625	506,001,722
4	Weighted average number of Equity Shares outstanding during the year - Diluted	561,542,680	547,077,040	546,187,803	538,110,625	506,001,722
5	Number of Equity Shares outstanding at the end of the year	561,542,680	561,542,680	546,752,880	544,058,845	533,539,300
6	Net Worth for Equity Shareholders (₹ in million)	15,204.27	11,992.20	9,555.83	7,895.47	6,816.97
7	Accounting Ratios:					
	Basic Earnings / (Loss) per Share (₹) (2)/(3)	5.72	3.87	2.96	1.74	1.19
	Diluted Earnings / (Loss) per Share (₹) (2)/(4) (Refer Annexure V, Note 32)	5.72	3.87	2.95	1.74	1.19
	Return on Net Worth for Equity Shareholders(2)/(6)	21.13%	17.65%	16.89%	11.89%	8.86%
	Net Asset Value Per Share (₹) (6)/(5)	27.08	21.36	17.48	14.51	12.78

Note:

1.Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

2 Net worth for ratios mentioned in note 6 is = Equity share capital + Reserves and surplus (including Securities Premium, Share Option Outstanding Account , Debenture Redemption Reserve and Surplus/ (Deficit))

3.The above ratios have been computed on the basis of the Restated Consolidated Financial Information- Annexure I & Annexure II.

Annexure XV-Restated Consolidated Statement of Capitalisation of Avenue Supermarts Limited

₹ in million

Particulars	Pre-Issue as at March 31, 2016
Debt:	
Long term borrowings	9,084.69
Short term borrowings	1,296.99
Current portion of Secured long term borrowings, included in Other Current Liabilities	1,553.07
Total debt (A)	**11,934.75**
Shareholders Funds:	
Equity Share Capital	5,615.43
Reserves and Surplus	9,588.84
Total Shareholders Funds (B)	**15,204.27**
Total Debt/Equity Ratio (A/B)	**0.78**
Total Long Term Debt / Equity Ratio (Long term borrowigs/Equity Share Capital & Reserves and Surplus)	**0.60**

Notes:

i) The above has been computed on the basis of the Restated Consolidated Financial Information - Annexure I & Annexure II.

ii) Short term borrowings represent working capital loans, Commercial paper and Short term loans.

iii)The issue price and number of shares are being finalised and as such the post- capitalisation statement cannot be presented.

To
The Board of Directors
M/s. Avenue Supermarts Limited,
Anjaneya CHS Limited, Orchard Avenue,
Opp Hiranandani Foundation School,
Powai,
Mumbai – 400 076.

Auditors' Report on Restated Standalone Financial Information in connection with the Initial Public Offering of Avenue Supermarts Limited

Dear Sirs,

1. This report is issued in accordance with the terms of our agreement dated September 24, 2016.

2. The accompanying restated standalone financial information, expressed in Indian Rupees, in Millions, of Avenue Supermarts Limited (hereinafter referred to as the "Company"), comprising Standalone Financial Information in paragraph A below and Other Standalone Financial Information in paragraph B below (hereinafter together referred to as "Restated Standalone Financial Information"), has been prepared by the Management of the Company in accordance with the requirements of section 26 of the Companies Act 2013 (hereinafter referred to as the "Act") read with Rule 4 to Rule 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the "Rules") and item (IX) of Part A of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date issued by SEBI on August 26, 2009 read along with the SEBI circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (the "SEBI Regulations") issued by the Securities and Exchange Board of India (the "SEBI") in connection with the Proposed Initial Public Offering of Equity Shares of the Company (the "Issue") and has been approved by the IPO Committee of the Board of Directors and initialed by us for identification purposes only. For the purposes of our examination, we have placed reliance on the audited standalone financial statements of the Company for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31,2012 (all of which were expressed in Indian Rupees in lakhs), on which we have expressed unmodified audit opinions vide our reports dated August 1, 2016, August 28, 2015, August 11, 2014, August 1, 2013 and June 8, 2012, respectively. We have included emphasis of matter in our audit report for the year ended March 31, 2016, however the audit opinion was not qualified in respect of the said matter.

Management's Responsibility for the Restated Standalone Financial Information

3. The preparation of the Restated Standalone Financial Information, which is to be included in the Draft Red Herring Prospectus ("DRHP"), is the responsibility of the Management of the Company and has been approved by the IPO Committee of the Board of Directors, at its meeting held on September 29, 2016 for the purpose set out in paragraph 14 below. The Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors' Responsibilities

4. Our work has been carried out in accordance with the Standards on Auditing under section 143(10) of the Act, (Revised) Guidance Note on Reports in Company Prospectuses and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India and pursuant to the requirements of section 26 of the Act read with applicable provisions within Rule 4 to Rule 6 of the Rules and the SEBI Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Issue.

   Our examination of the Restated Standalone Financial Information has not been carried out in accordance with the auditing standards generally accepted in the United States of America ("U.S."), Public Company Accounting Oversight Board and accordingly should not be relied upon by any one as if it had been carried out in accordance with those standards or any other standards besides the standards referred to in this report. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Issue.

A. Standalone Financial Information as per audited standalone financial statements:

5. We have examined the following summarized financial statements of the Company contained in Restated Standalone Financial Information of the Company:

   a) the "Restated Standalone Statement of Assets and Liabilities " as at March 31, 2016, 2015, 2014, 2013 and 2012. (enclosed as Annexure I);
   b) the "Restated Standalone Statement of Profit and Loss" for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 (enclosed as Annexure II) and
   c) the "Restated Standalone Statement of Cash Flows" for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 (enclosed as Annexure III).

6. The Restated Standalone Financial Information, expressed in Indian Rupees, in Millions, has been derived from the audited standalone financial statements of the Company read with paragraph 7 below, as at March 31, 2016, 2015, 2014, 2013 and 2012, all of which expressed in Indian Rupees in lakhs and for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012, all of which expressed in India Rupees in Lakhs.

7. We draw your attention to the following:

   a) the Restated Standalone Financial Information should be read in conjunction with the basis of preparation and significant accounting policies given in Annexure IV (as described in paragraph 9(i) below);
   b) the Restated Standalone Financial Information does not contain all the disclosures required by the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

8. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2016. Accordingly, we do not express any opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to March 31, 2016.

B. Other Standalone Financial Information:

9. At the Company's request, we have also examined the following Other Standalone Financial Information relating to the Company as at March 31, 2016, 2015, 2014, 2013 and 2012 and for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 proposed to be included in the DRHP, prepared by the Management of the Company and as approved by the IPO Committee of the Board of Directors of the Company and annexed to this report:

   i) Basis of preparation and Significant Accounting Policies as enclosed in Annexure IV
   ii) Notes to the Restated Standalone Financial Information as enclosed in Annexure V
   iii) Statement of Adjustments to Audited Financial Statements as enclosed in Annexure VI
   iv) Restated Standalone Statement of Secured Borrowings as enclosed in Annexure VII
   v) Restated Standalone Statement of Principle Terms of Secured Borrowings outstanding as at March 31, 2016 as enclosed in Annexure VII(A)
   vi) Restated Standalone Statement of Unsecured Borrowings as enclosed in Annexure VIII
   vii) Restated Standalone Statement of Other Long Term Liabilities as enclosed in Annexure IX
   viii) Restated Standalone Statement of Investments as enclosed in Annexure X
   ix) Restated Standalone Statement of Trade Receivables as enclosed in Annexure XI
   x) Restated Standalone Statement of Loans and Advances as enclosed in Annexure XII
   xi) Restated Standalone Statement of Other Income as enclosed in Annexure XIII
   xii) Restated Standalone Statement of Accounting Ratios as enclosed in Annexure XIV
   xiii) Restated Standalone Statement of Capitalisation as enclosed in Annexure XV

xiv) Restated Standalone Statement of Tax Shelter as enclosed in Annexure XVI

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Opinion

11. In our opinion:
    (i) the Restated Standalone Financial Information of the Company, as attached to this report and as mentioned in paragraphs A and B above, read with basis of preparation and respective significant accounting policies have been prepared in accordance with the Act, Rules, and the SEBI Regulations;
    (ii) there have been no changes in accounting policies of the Company (as disclosed in Annexure IV to this report);
    (iii) the material adjustments relating to previous years have been adjusted in the year to which they relate;
    (iv) there are no qualifications in the Auditors' Report which require any adjustments; and
    (v) there are no extra-ordinary items which needs to be disclosed separately.

12. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us on the stand alone financial statements of the Company.

Emphasis of Matter

13. We draw attention to Note 32 in Annexure V in the Restated Standalone Financial Information for the year ended March 31, 2016 regarding the delay in appointment of one independent director as per the requirement of section 149 of the Companies Act 2013 and the rules made thereunder. The Company has since made an application for compounding to the Central Government as of the August 1, 2016. Our Opinion is not qualified in respect of this matter.

Restriction on Use

14. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the DRHP, prepared in connection with the proposed Initial Public Offering of Equity Shares of the Company, to be filed by the Company with the SEBI, Registrar of Companies, Mumbai and the concerned Stock Exchanges.

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

S Venkatesh
Partner
Membership Number: 037942

Place: Mumbai
Date: September 29, 2016

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Avenue Supermarts Limited

Annexure I-Restated Standalone Statement of Assets and Liabilities of Avenue Supermarts Limited

₹ in million

Particulars	Notes / Annexures	As at				
		March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Equity and Liabilities						
Shareholder's Funds						
Share capital	AnnexureV, Note 1	5,615.43	5,615.43	5,467.53	5,440.59	5,335.39
Reserves and surplus	AnnexureV, Note 2	9,503.15	6,313.98	4,035.42	2,419.76	1,459.19
Non-current liabilities						
Long-term borrowings	AnnexureVII	9,084.69	7,137.75	4,568.37	3,711.62	2,643.19
Deferred tax liabilities (Net)	AnnexureV, Note 3	400.94	306.50	265.31	200.97	129.77
Other long term liabilities	Annexure IX	180.57	179.69	143.28	149.56	113.39
Current liabilities						
Short-term borrowings	AnnexureVII & VIII	1,134.91	269.36	377.46	610.42	633.33
Trade payables						
- Total outstanding dues of micro enterprises and small enterprises	AnnexureV, Note 4	8.04	1.88	4.17	5.64	8.93
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,969.79	1,333.49	1,272.04	964.30	633.94
Other current liabilities	AnnexureV, Note 5	2,755.83	2,144.60	1,691.59	1,340.73	888.00
Short-term provisions	AnnexureV, Note 6	162.01	175.36	87.32	60.39	25.80
Total		**30,815.36**	**23,478.04**	**17,912.49**	**14,903.98**	**11,870.93**
Assets						
Non Current Assets						
Fixed Assets	AnnexureV, Note 7					
Tangible assets		20,612.69	15,056.74	11,650.59	9,192.08	7,769.95
Intangible assets		41.76	39.92	36.18	30.83	17.73
Capital Work-in-progress (Tangible Assets)		816.87	915.90	780.31	1,073.59	741.88
Total Fixed Assets		**21,471.32**	**16,012.56**	**12,467.08**	**10,296.50**	**8,529.56**
Non Current Investments	AnnexureX	296.47	166.60	173.41	201.58	159.75
Long term loans and advances	AnnexureXII	1,145.21	873.52	499.99	601.48	434.35
Other Non Current Assets	AnnexureV, Note 8	2.99	2.07	0.05	0.05	0.04
Current assets						
Current Investments	AnnexureX	-	-	-	0.12	80.12
Inventories	AnnexureV, Note 9	6,602.01	5,299.17	3,639.79	2,578.14	1,852.65
Trade receivables	AnnexureXI	83.77	70.73	95.02	131.15	44.80
Cash and bank balances	AnnexureV, Note 10	325.87	358.63	519.15	588.92	446.49
Short-term loans and advances	AnnexureXII	865.56	669.21	490.87	488.16	297.09
Other current assets	AnnexureV, Note 11	22.16	25.55	27.13	17.88	26.08
Total		**30,815.36**	**23,478.04**	**17,912.49**	**14,903.98**	**11,870.93**

The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Standalone Financial Information appearing in Annexure V and Statement of Adjustments to Audited Standalone Financial Statements appearing in Annexure VI.

Annexure II-Restated Standalone Statement of Profit and Loss of Avenue Supermarts Limited

₹ in million

Particulars	Notes / Annexures	For the Year ended March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Revenue						
Revenue from Operations	AnnexureV, Note 12	85,795.35	64,335.20	46,806.01	33,346.18	22,026.00
Other Income	AnnexureXIII	200.98	208.74	187.16	163.41	154.97
Total Revenue (A)		**85,996.33**	**64,543.94**	**46,993.17**	**33,509.59**	**22,180.97**
Expenses						
Purchase of stock-in-trade		74,485.31	56,661.19	41,064.72	29,401.32	19,566.79
Changes in inventory of stock in trade	AnnexureV, Note 13	(1,302.84)	(1,659.38)	(1,061.65)	(725.49)	(673.53)
Employee benefit expenses	AnnexureV, Note 14	1,457.92	1,312.33	852.28	674.99	447.39
Other Operational Costs	AnnexureV, Note 15	3,026.52	2,279.66	1,750.29	1,221.29	802.33
Finance Costs	AnnexureV, Note 16	907.28	719.66	553.26	424.08	260.20
Depreciation and amortisation	AnnexureV, Note 17	970.98	806.04	564.43	455.56	374.17
Other expenses	AnnexureV, Note 18	1,563.39	1,209.50	846.29	668.27	534.76
Total Expenses (B)		**81,108.56**	**61,329.00**	**44,569.62**	**32,120.02**	**21,312.11**
Profit / (Loss) before Taxation (A-B) (C)		**4,887.77**	**3,214.94**	**2,423.55**	**1,389.57**	**868.86**
Tax Expenses						
Current Tax		1,609.66	1,055.73	762.74	395.02	252.57
Deferred Tax charge		94.90	45.37	64.52	70.36	23.85
Tax in respect of earlier years		1.32	-	-	-	0.66
Total (D)		**1,705.88**	**1,101.10**	**827.26**	**465.38**	**277.08**
Net Profit/(Loss) after taxation (C-D) (E)		**3,181.89**	**2,113.84**	**1,596.29**	**924.19**	**591.78**
Net Profit / (Loss) Before Restatement Adjustments		**3,181.89**	**2,113.84**	**1,596.29**	**924.19**	**591.78**
(i) Material Restatement Adjustments (F)	Annexure VI - A (ii)	6.82	(6.99)	(0.51)	2.47	3.38
(ii) Deferred Tax Adjustment (G)	Annexure VI - A (iii)	0.46	0.06	0.18	(0.84)	(0.88)
Net Profit/(Loss) before the adjustments on account of changes in accounting policies (E+F+G)		**3,189.17**	**2,106.91**	**1,595.96**	**925.82**	**594.28**
Adjustments on account of changes in accounting policies		-	-	-	-	-
Net Profit/(Loss) as Restated		**3,189.17**	**2,106.91**	**1,595.96**	**925.82**	**594.28**

The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Standalone Financial Information appearing in Annexure V and Statement of Adjustments to Audited Standalone Financial Statements appearing in Annexure VI.

Annexure III
Restated Standalone Statement of Cash Flows of Avenue Supermarts Limited

₹ in million

Particulars	For the Year ended March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Cash Flow from Operating Activities:					
Restated Net Profit/(loss) before tax, after restatement adjustments	**4,894.59**	**3,207.95**	**2,423.04**	**1,392.04**	**872.24**
Adjustments for:					
Depreciation and Amortisation	970.98	806.04	564.43	455.56	374.17
Finance Costs	907.28	719.66	553.26	424.08	260.20
Loss on sale/discardment of fixed assets (Net)	7.81	14.37	5.54	4.88	5.56
Expenses on increase of share capital	-	-	-	-	1.93
Expense on Employee Stock Option Scheme	-	1.45	0.55	-	-
Provisions no longer required written back	-	(1.52)	(2.99)	(3.94)	(1.82)
Sundry Balances written off	0.20	0.04	0.91	6.89	2.61
Interest Income	(25.63)	(29.36)	(38.10)	(22.50)	(20.24)
Dividend Income	-	-	-	-	(0.26)
Profit on Sale of Current Investments	(25.18)	(34.29)	(9.71)	(7.99)	(8.76)
Operating Profit/ (Loss) before Working Capital Changes	**6,730.05**	**4,684.34**	**3,496.93**	**2,249.02**	**1,485.63**
Adjusted for:					
Increase / (Decrease) in Trade Payables	642.26	60.64	308.35	324.12	231.29
Increase / (Decrease) in Provisions	12.16	15.81	1.83	(0.53)	8.49
Increase / (Decrease) in Other Current Liabilities	221.94	110.24	60.72	48.62	(76.69)
Increase / (Decrease) in Other long term Liabilities	0.88	36.41	(6.28)	36.17	(12.77)
(Increase) / Decrease in Trade Receivables	(13.04)	24.29	36.13	(86.35)	(29.15)
(Increase) / Decrease in Inventory	(1,302.84)	(1,659.38)	(1,061.65)	(725.49)	(673.53)
(Increase) / Decrease in Loans and Advances	(276.20)	(205.75)	(26.90)	(205.11)	(44.98)
(Increase) / Decrease in other current assets	3.39	1.58	(9.25)	(4.44)	(4.30)
(Increase) / Decrease in other non-current assets	(0.92)	(2.02)	-	(0.01)	-
	(712.37)	**(1,618.18)**	**(697.05)**	**(613.02)**	**(601.64)**
Cash generated from/ (used in) operations	**6,017.68**	**3,066.16**	**2,799.88**	**1,636.00**	**883.99**
Taxes paid (net)	1,627.29	992.35	740.98	360.04	279.89
Net cash generated from/ (used in) Operating Activities (A)	**4,390.39**	**2,073.81**	**2,058.90**	**1,275.96**	**604.10**
Cash Flow from Investing Activities:					
Inflows :					
Sale of Current Investments	33,358.53	29,041.62	6,445.72	1,933.59	1,403.24
Sale of tangible/non-tangible assets	19.93	4.53	11.19	1.49	12.94
Sale of Assets held for Sale (Refer Annexure V, Note 11)	-	-	-	12.00	-
Repayment of Capital by Partnership Firm (Refer Annexure X)	-	-	21.10	-	-
Dividend Received	-	-	-	-	0.26
Outflows :					
Purchase of Current Investments	(33,333.35)	(29,007.33)	(6,435.89)	(1,845.60)	(845.06)
Purchase of Non-current Investments	(136.36)	-	-	(48.90)	(6.03)
Purchase of tangible/non-tangible assets	(6,437.76)	(4,650.88)	(2,703.07)	(2,368.37)	(1,831.84)
Net Cash generated from/ (used in) Investing Activities (B)	**(6,529.01)**	**(4,612.06)**	**(2,660.95)**	**(2,315.79)**	**(1,266.49)**
Cash Flow from Financing Activities:					
Inflows :					
Increase in Share Capital (Including premium net of expenses)	-	325.89	46.09	139.96	358.03
Interest Income	25.16	29.37	38.08	22.50	20.21
Term Loans Received	-	2,950.00	2,150.00	1,998.20	1,253.11
Non Convertible Debentures Issued	3,500.00	2,000.00	-	-	-
Commercial Papers Issued (Net)	500.00	-	-	-	-
Working Capital Loans Received (Net)	365.55	-	167.04	177.09	33.33
Outflows :					
Repayment of Term Loans	(1,468.00)	(2,205.87)	(925.35)	(534.65)	(316.52)
Repayment of working capital loan (Net)	-	(108.10)	-	-	-
Repayment of Unsecured Loans	-	-	(400.00)	(200.00)	(150.00)
Finance Costs	(817.05)	(614.04)	(549.01)	(420.26)	(249.48)
Net Cash generated from/ (used in) in Financing Activities (C)	**2,105.66**	**2,377.25**	**526.85**	**1,182.84**	**948.68**
Net increase/(decrease) in Cash and Cash equivalents (A)+(B)+(C)	**(32.96)**	**(161.00)**	**(75.20)**	**143.01**	**286.29**
Cash and cash equivalents (Opening Balance)	352.70	513.70	588.90	445.89	159.60
Cash and cash equivalents (Closing Balance)	**319.74**	**352.70**	**513.70**	**588.90**	**445.89**
Cash and cash equivalents comprise of: (Refer Annexure V, Note - 10)	325.87	358.63	519.15	588.92	446.49
Less : Deposit under Lien	6.13	5.93	5.45	0.02	0.60
Total	**319.74**	**352.70**	**513.70**	**588.90**	**445.89**

Notes:

1)The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements.

2)The above statement should be read with the Basis of Preparation and Significant Accounting Policies, appearing in Annexure IV, Notes to the Restated Standalone Financial Information appearing in Annexure V and Statement of Adjustments to Audited Standalone Financial Statements appearing in Annexure VI.

Annexure IV- Basis of Preparation and Significant Accounting Policies

1. General Information

Avenue Supermarts Limited (the "Company") is engaged in the business of organized retail and operates supermarkets under the brand name of "D-Mart" having presence in the west and southern regions of India. The Company has currently 110 operational stores as at March 31, 2016.

2. **Summary of significant Accounting Policies and Practices**

2.1. Basis of Preparation

The Restated Standalone Statement of Assets and Liabilities of the Avenue Supermarts Limited ('the Company') as at March 31, 2016, 2015, 2014, 2013 and 2012 and the Restated Standalone Statement of Profit and Loss and the Restated Standalone Statement of Cash flows, for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 (together referred as 'Restated Standalone Financial Information') and Other Standalone Financial Information have been extracted by the Management from the Audited Standalone Financial Statements of the Company for the respective years ("Audited Standalone Financial Statements").

The Audited Consolidated Financial Statements were prepared to comply in all material respect with the generally applicable accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, the Audited Standalone Financial Statements for the years ended March 31, 2016, March 31, 2015 and March 31, 2014 have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

The Audited Standalone Financial Statements for the years ended March 31, 2013 and March 31, 2012 of the Company have been prepared to comply in all material respect with the generally applicable accounting principles in India under the historical cost convention on accrual basis, the applicable accounting standards under Section 211 (3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

The Restated Standalone Financial Information and Other Standalone Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the Company with BSE Limited and National Stock Exchange of India Limited (together 'the stock exchanges'), in accordance with the requirements of:

a) Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013; and
(b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time read along with the SEBI circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (together referred to as the "SEBI Regulations").

These Restated Standalone Financial Information and Other Standalone Financial Information have been extracted by the Management from the Audited Standalone Financial Statements and :

• there were no audit qualifications on these financial statements,
• there were no changes in accounting policies during the years of these financial statements,

• material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted,

• adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the Audited Consolidated Financial Statements of the Company as at and for the year ended March 31, 2016 and the requirements of the SEBI Regulations, and
• the resultant tax impact on above adjustments has been appropriately adjusted in deferred tax in the respective years and the impact of current tax in respect of short/excess income tax arising out of assessments, appeals, revised income tax returns, etc., has been adjusted in the current tax of respective years to which they relate.

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

These Restated Standalone Financial Information and Other Standalone Financial Information were approved by the IPO Committee of the Board of Directors of the Company on September 29, 2016.

2.2. Use of estimates

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.

Annexure IV- Basis of Preparation and Significant Accounting Policies

2.3. Fixed Assets

I. Tangible Assets:

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Losses arising from the retirement of and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

II. Intangible Assets:

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

Gains or losses arising from the retirement or disposal proceeds and the carrying amount of the asset are recognized as income or expense in the Statement of Profit and Loss.

2.4 Method of Depreciation

I. The Company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II to Companies Act, 2013.

II. Cost of Software is amortized over a period of five years.

III. Cost of Leasehold Land is amortised over the period of lease.

IV. Depreciation on additions to assets or on sale/discardment of assets, is calculated pro rata from the month of such addition or upto the month of such sale/ discardment, as the case may be.

From the financial year 2014-15, w.e.f. 1st April 2014, the Company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II to Comapnies Act, 2013 , as against the earlier practice of depreciating at the rates prescribed in Schedule XIV to Companies Act, 1956.

2.5. Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments and carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

Investment Property: Investments in building 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 carried at cost less accumulated depreciation.

2.6. 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.

2.7. Revenue Recognition

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Retail sales and revenues are recognized 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. Sales are net of discounts.

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.

2.8. Foreign Currency Transactions

I. All transactions in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

II. Monetary items in the form of Loans, Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted during the year.

III. All other incomes or expenditure in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

IV. Accounting of foreign branch:

Current assets and liabilities are converted at the appropriate rates of exchange prevailing on the date of the Balance Sheet.

2.9. Taxation

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

2.10.Impairment of Assets

Impairment of assets is ascertained at each balance sheet date, if there are any indications of impairment based on internal / external factors. An impairment loss is recognized in the Profit and Loss Account, whenever the carrying amount of an asset exceeds its recoverable amount.

2.11.Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to revenue.

2.12.Employee Benefits

Defined Contribution Plans such as Provident Fund etc., are charged to the Profit and Loss Account as incurred.

Defined Benefit Plans - The present value of the obligation under such plan, is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Profit and Loss Account. In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis. Termination benefits are recognised as and when incurred.

Annexure IV- Basis of Preparation and Significant Accounting Policies

2.13.Provisions, Contingent liabilities and Contingent Assets

I. Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

II. Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

III. Contingent Assets: Contingent Assets are not recognised or disclosed in the financial statements.

2.14.Employee Share based Payments

Equity settled stock options granted under "Employee Stock Option Plan" are accounted as per the accounting treatment prescribed by Guidance Note on Employee Share – based payments issued by the Institute of Chartered Accountants of India. The intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to employee stock option outstanding account. The Deferred employee compensation is charged to the Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion and credit to deferred employee compensation expenses equal to the unamortised portion.

2.15.Lease

As a lessee:

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 or other systematic basis more representative of the time pattern of the user's benefits.

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 or other systematic basis over the lease term which is more representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

2.16.Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.17.Cash and Cash Equivalents

In the Cash flow Statement,Cash and Cash equivalents includes cash in hand, demand deposits with banks with original maturities of three months or less.

Annexure V-Notes to the Restated Standalone Financial Information of Avenue Supermarts Limited

₹ in million

Note 1 - Share Capital	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Authorised: **Equity Share Capital** 75,00,00,000 Equity Shares of ₹ 10 each	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00
Issued, Subscribed and Paid up: Equity Shares of ₹ 10 each. Fully paid up	5,615.43	5,615.43	5,467.53	5,440.59	5,335.39
Total	**5,615.43**	**5,615.43**	**5,467.53**	**5,440.59**	**5,335.39**

₹ in million

a) Reconciliation of Number of Equity Shares	As at March 31,2016		As at March 31,2015		As at March 31,2014		As at March 31,2013		As at March 31,2012	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Balance as at the beginning of the year	561,542,680	5,615.43	546,752,880	5,467.53	544,058,845	5,440.59	533,539,300	5,335.39	505,850,000	5,058.50
Add : Equity Shares issued	-	-	14,789,800	147.90	2,694,035	26.94	10,519,545	105.20	27,689,300	276.89
Balance as at the end of the year	**561,542,680**	**5,615.43**	**561,542,680**	**5,615.43**	**546,752,880**	**5,467.53**	**544,058,845**	**5,440.59**	**533,539,300**	**5,335.39**

Notes :

1) The Company has only one class of equity shares having a par value of ₹ 10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

2) During the FY 2014-15, the Company had issued 4151800 Equity shares pursuant to the Avenue Supermarts Limited 'Employees Stock Options Scheme 2013' ("Scheme") announced in F.Y. 2013-14 for the employees. (Refer Note No.31)

b) Equity Shareholders holding shares more than 5%	As at March 31,2016		As at March 31,2015		As at March 31,2014		As at March 31,2013		As at March 31,2012	
	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding
- Mr. Radha Kishan Damani	281,930,000	50.21%	281,930,000	50.21%	284,800,000	52.09%	284,800,000	52.35%	289,000,000	54.17%
- Mr. Gopi Kishan Damani	74,980,000	13.35%	74,980,000	13.35%	75,000,000	13.72%	75,000,000	13.79%	75,000,000	14.06%
- M/s Bright Star Investments P Ltd.	88,750,000	15.80%	88,750,000	15.80%	88,750,000	16.23%	88,750,000	16.31%	88,750,000	16.63%

Annexure V-Notes to the Restated Standalone Financial Information of Avenue Supermarts Limited

₹ in million

Note 2 -Reserves and Surplus	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Securities Premium Account					
Balance as at the beginning of the year	316.96	136.97	117.82	83.07	-
Add : Securities Premium Credited on issue of Equity Shares	-	179.99	19.15	34.75	83.07
Balance as at the end of the year	**316.96**	**316.96**	**136.97**	**117.82**	**83.07**
Share Options Outstanding Account					
Balance at the beginning of the year	-	0.55	-	-	-
Add: Expense on Employee Stock Option Scheme(Refer Note 31)	-	1.45	0.55	-	-
Less : Adjusted against allotment of shares	-	2.00	-	-	-
Balance at the end of the year	**-**	**-**	**0.55**	**-**	**-**
Debenture Redemption Reserve					
Balance at the beginning of the year	56.80	-	-	-	-
Add: Amount transferred from Surplus in Statement of Profit and Loss	226.40	56.80	-	-	-
Balance at the end of the year	**283.20**	**56.80**	**-**	**-**	**-**
Surplus/ (Deficit) in Statement of Profit and Loss					
Balance as at the beginning of the year (Refer Annexure VI.5)	5,940.22	3,897.90	2,301.94	1,376.12	781.84
Less: Additional Depreciation (pursuant to enactment of Schedule II to the Companies Act, 2013) (Refer Annexure V, Note 7)	-	7.79	-	-	-
Less : Transfer to Debenture Redemption Reserve	226.40	56.80	-	-	
Add : Profit for the year as restated	3,189.17	2,106.91	1,595.96	925.82	594.28
Balance as at the end of the year	**8,902.99**	**5,940.22**	**3,897.90**	**2,301.94**	**1,376.12**
Total	**9,503.15**	**6,313.98**	**4,035.42**	**2,419.76**	**1,459.19**

Annexure V-Notes to Restated Standalone Financial Information of Avenue Supermarts Limited

₹ in million

Note 3 - Deferred Tax Liabilities (Net)	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Deferred tax liability on account of					
Depreciation	414.93	316.60	272.75	206.41	144.72
Deferred tax asset on account of					
Employee benefits	13.99	10.56	7.96	6.14	14.81
Deferred tax asset / (liability) on account of restatement adjustments					
Sundry Balances Write off	0.05	(0.13)	(0.47)	(0.72)	(0.83)
Provision no longer required wriiten back	(0.05)	0.59	0.99	1.42	0.69
Total	**400.94**	**306.50**	**265.31**	**200.97**	**129.77**

Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.

₹ in million

Note 4 - Trade Payables	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Trade payables					
- Micro and Small Enterprises Creditors(Refer Note:19)	8.04	1.88	4.17	5.64	8.93
- Others	1,969.79	1,333.49	1,272.04	964.30	633.94
Total	**1,977.83**	**1,335.37**	**1,276.21**	**969.94**	**642.87**

₹ in million

Note 5 - Other Current Liabilities	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Current maturities of long-term debt (Refer Annexure VII & VII(A)	1,553.07	1,468.01	1,293.26	925.36	530.24
Creditors for Capital goods	431.67	217.66	155.27	237.26	232.09
Overdrawn bank balances (as per books)	1.98	2.35	0.09	10.04	0.42
Escrow Deposits Received#	99.51	-	-	-	-
Employees Related Liabilities	230.73	153.21	80.66	51.92	36.21
Statutory Dues	178.26	141.97	108.61	70.27	36.17
Income received in Advance	19.22	10.24	8.16	4.59	15.40
Interest accrued but not due on borrowings	241.39	151.16	45.54	41.29	37.47
Total	**2,755.83**	**2,144.60**	**1,691.59**	**1,340.73**	**888.00**

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

₹ in million

Note 6- Short-term Provisions	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Provision for Employee Benefits(Refer Note:27)					
Provision For Gratuity	14.93	12.66	3.99	7.41	14.59
Provision For Compensated Absences	38.82	28.89	21.79	16.54	9.89
Provision for Taxation					
For Income Tax (Net of prepaid taxes ₹ 1501.4 million for March 31,2016 , ₹ 1013.9 million for March 31,2015, ₹ 795.55 million for March 31,2014, ₹ 452.97 million for March 31,2013 and ₹ 93.07 million for March 31,2012)	108.26	133.77	61.54	36.44	1.32
For Wealth Tax	-	0.04	-	-	-
Total	**162.01**	**175.36**	**87.32**	**60.39**	**25.80**

Annexure V-Notes to the Restated Standalone Financial Information of Avenue Supermarts Limited

Note 7- FIXED ASSETS 2015-16

₹ in million

Partiulars	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION				NET BLOCK
	As at April 01,2015	Additions	Deletions/ Adjustments	Cost as at March 31,2016	As at April 01,2015	For the year	On Disposals/ Adjustments	As at March 31,2016	As at March 31,2016
A. Tangible assets									
Freehold Land	3,462.17	1,225.48	-	4,687.65	-	-	-	-	4,687.65
Leasehold Land	2,402.88	830.07	-	3,232.95	156.58	36.97	-	193.55	3,039.40
Leasehold Improvements	51.04	113.84	0.02	164.86	17.80	6.60	-	24.40	140.46
Building	9,413.11	3,307.90	0.81	12,720.20	1,401.59	437.54	0.10	1,839.03	10,881.17
Furniture & Fixtures	901.02	331.50	15.64	1,216.88	494.90	137.85	11.40	621.35	595.53
Plant & Machinery	478.79	245.08	23.02	700.85	171.97	72.56	11.15	233.38	467.47
Office Equipments	122.50	56.88	4.36	175.02	68.92	32.47	3.62	97.77	77.25
Computers	298.21	115.71	13.48	400.44	200.85	75.36	10.78	265.43	135.01
Electrical Installations	810.51	288.55	6.32	1,092.74	404.60	142.06	2.06	544.60	548.14
Vehicles	61.55	22.96	2.38	82.13	27.83	14.44	0.75	41.52	40.61
Total (A)	**18,001.78**	**6,537.97**	**66.03**	**24,473.72**	**2,945.04**	**955.85**	**39.86**	**3,861.03**	**20,612.69**
B. Intangible assets									
Software	116.68	19.35	2.02	134.01	76.85	15.98	0.45	92.38	41.63
Trademarks	0.16	0.10	-	0.26	0.07	0.06	-	0.13	0.13
Total (B)	**116.84**	**19.45**	**2.02**	**134.27**	**76.92**	**16.04**	**0.45**	**92.51**	**41.76**
Total (A+B)	**18,118.62**	**6,557.42**	**68.05**	**24,607.99**	**3,021.96**	**971.89**	**40.31**	**3,953.54**	**20,654.45**
Capital Work in Progress									**816.87**

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 March 31,2016	**As at March 31,2016**
Gross Block	151.94	434.20
Net Block	136.86	387.24

2. Land and Building value includes ₹ 1580.29 million (Previous Year : ₹ 633.55 million) being property purchased, for which mutation is pending.

Note 7- FIXED ASSETS 2014-15

₹ in million

Partiulars	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION					NET BLOCK
	As at April 01,2014	Additions	Deletions/ Adjustments	Cost as at March 31,2015	As at April 01,2014	For the year	Additional Depreciaton (Refer Note 2)	On Disposals/ Adjustments	As at March 31,2015	As at March 31,2015
A. Tangible assets										
Freehold Land	2,677.61	784.56	-	3,462.17	-	-	-	-	-	3,462.17
Leasehold Land	1,925.23	477.65	-	2,402.88	126.18	30.40	-	-	156.58	2,246.30
Leasehold Improvements	46.71	4.37	0.04	51.04	13.32	4.69	-	0.21	17.80	33.24
Building	7,119.51	2,295.02	1.42	9,413.11	1,061.53	340.27	-	0.21	1,401.59	8,011.52
Furniture & Fixtures	706.91	210.77	16.66	901.02	390.46	116.84	0.89	13.29	494.90	406.12
Plant & Machinery	365.20	118.95	5.36	478.79	122.11	53.30	0.13	3.57	171.97	306.82
Office Equipments	89.95	36.41	3.86	122.50	31.61	36.42	3.46	2.57	68.92	53.58
Computers	228.15	82.79	12.73	298.21	143.07	64.29	4.93	11.44	200.85	97.36
Electrical Installations	635.48	180.94	5.91	810.51	275.48	132.71	1.09	4.68	404.60	405.91
Vehicles	37.12	24.98	0.55	61.55	17.52	10.65	0.03	0.37	27.83	33.72
Total (A)	**13,831.87**	**4,216.44**	**46.53**	**18,001.78**	**2,181.28**	**789.57**	**10.53**	**36.34**	**2,945.04**	**15,056.74**
B. Intangible assets										
Software	97.67	19.48	0.47	116.68	61.49	14.46	1.38	0.48	76.85	39.83
Trademarks	0.07	0.09	-	0.16	0.07	-	-	-	0.07	0.09
Total (B)	**97.74**	**19.57**	**0.47**	**116.84**	**61.56**	**14.46**	**1.38**	**0.48**	**76.92**	**39.92**
Total (A+B)	**13,929.61**	**4,236.01**	**47.00**	**18,118.62**	**2,242.84**	**804.03**	**11.91**	**36.82**	**3,021.96**	**15,096.66**
Capital Work in Progress										**915.90**

Notes:

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

	Land	Building Constructed on the land
	As at March 31,2015	**As at March 31,2015**
Gross Block	151.94	151.79
Net Block	138.39	110.17

2. Transition adjustment consequent to enactment of Schedule II to Companies Act, 2013.
3. In accordance with the provisions of Schedule II to the Act, in case of fixed assets which have completed their useful life as at 1st April 2014, the carrying value (net of residual value) amounting to ₹ 7.79 million (net of taxes ₹ 4.12 million) as a transitional provision has been recognised in the Retained Earnings.
Further, in case of assets acquired prior to 1st April 2014, the carrying value of assets (net of residual value) is depreciated over the remaining useful life as determined effective 1st April,2014 .
Depreciation and amortization expenses for the year would have been lower by ₹ 153.62 million, had the Company continued with the previous assessment of useful life of such assets.
4. Land value includes ₹ 633.55 million (Previous Year : ₹ 106.53 million) being property purchased, for which mutation is pending.

Annexure V-Notes to the Restated Standalone Financial Information of Avenue Supermarts Limited

Note 7- FIXED ASSETS 2013-14

₹ in million

Partiulars	**GROSS BLOCK**				**DEPRECIATION / AMORTISATION**				**NET BLOCK**
	As at April 01,2013	**Additions**	**Disposals/ Adjustments**	**Cost as at March 31,2014**	**As at April 01,2013**	**For the year**	**On Disposals/ Adjustments**	**As at March 31,2014**	**As at March 31,2014**
A. Tangible assets									
Freehold Land	2,191.07	486.54	-	2,677.61	-	-	-	-	2,677.61
Leasehold Land	1,599.79	325.44	-	1,925.23	96.48	29.70	-	126.18	1,799.05
Leasehold Improvements	30.95	24.64	8.88	46.71	14.02	4.20	4.90	13.32	33.39
Building	5,399.19	1,720.32	-	7,119.51	791.12	267.40	(3.01)	1,061.53	6,057.98
Furniture and fixtures	568.36	154.97	16.42	706.91	307.91	94.77	12.22	390.46	316.45
Plant & Machinery	280.19	87.55	2.54	365.20	92.11	31.50	1.50	122.11	243.09
Office Equipments	62.31	29.62	1.98	89.95	22.20	10.66	1.25	31.61	58.34
Computers	179.12	52.25	3.22	228.15	107.79	38.27	2.99	143.07	85.08
Electrical Installations	511.58	129.35	5.45	635.48	207.67	69.92	2.11	275.48	360.00
Vehicles	22.18	15.70	0.76	37.12	13.36	4.72	0.56	17.52	19.60
Total (A)	**10,844.74**	**3,026.38**	**39.25**	**13,831.87**	**1,652.66**	**551.14**	**22.52**	**2,181.28**	**11,650.59**
B. Intangible assets									
Software	78.34	19.33	-	97.67	47.51	13.98	-	61.49	36.18
Trademarks	0.07	-	-	0.07	0.07	-	-	0.07	-
Total (B)	**78.41**	**19.33**	**-**	**97.74**	**47.58**	**13.98**	**-**	**61.56**	**36.18**
Total (A+B)	**10,923.15**	**3,045.71**	**39.25**	**13,929.61**	**1,700.24**	**565.12**	**22.52**	**2,242.84**	**11,686.77**
Capital Work in Progress									**780.31**

Notes :

1. Leasehold Land includes premium paid under Built Operate and Transfer (BOT) arrangement as under :

	Land	Building constructed on the Land
	As at March 31,2014	**As at March 31,2014**
Gross Block	151.94	147.64
Net Block	139.92	111.45

2. Building includes ₹ NIL (Previous Year : ₹ 132.55 million) pertaining to property purchased and capitalized pending registration.
3. Land value includes ₹ 106.53 million being property puchased, for which mutation is pending.

Annexure V-Notes to the Restated Standalone Financial Information of Avenue Supermarts Limited

Note 7- FIXED ASSETS 2012-13

₹ in million

Partiulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK
	As at April 01,2012	Additions	Disposals/ Adjustments	Cost as at March 31,2013	As at April 01,2012	For the year	On Disposals/ Adjustments	As at March 31,2013	As at March 31,2013
A. Tangible assets									
Freehold Land	1,465.43	725.64	-	2,191.07	-	-	-	-	2,191.07
Leasehold Land	1,593.89	5.90	-	1,599.79	75.03	21.45	-	96.48	1,503.31
Leasehold Improvements	29.10	1.85	-	30.95	7.32	6.70	-	14.02	16.93
Building	4,558.66	840.56	0.03	5,399.19	574.89	216.23	-	791.12	4,608.07
Furniture and fixtures	479.99	97.28	8.91	568.36	239.10	76.66	7.85	307.91	260.45
Plant & Machinery	232.80	50.83	3.44	280.19	68.46	25.96	2.31	92.11	188.08
Office Equipments	48.54	15.33	1.56	62.31	16.67	6.48	0.95	22.20	40.11
Computers	134.67	51.54	7.09	179.12	82.16	31.93	6.30	107.79	71.33
Electrical Installations	440.37	78.28	7.07	511.58	160.53	52.14	5.00	207.67	303.91
Vehicles	21.37	1.11	0.30	22.18	10.71	2.93	0.28	13.36	8.82
Total (A)	**9,004.82**	**1,868.32**	**28.40**	**10,844.74**	**1,234.87**	**440.48**	**22.69**	**1,652.66**	**9,192.08**
B. Intangible assets									
Software	54.98	23.40	0.04	78.34	37.25	10.28	0.02	47.51	30.83
Trademarks	0.07	-	-	0.07	0.07	-	-	0.07	-
Total (B)	**55.05**	**23.40**	**0.04**	**78.41**	**37.32**	**10.28**	**0.02**	**47.58**	**30.83**
Total (A+B)	**9,059.87**	**1,891.72**	**28.44**	**10,923.15**	**1,272.19**	**450.76**	**22.71**	**1,700.24**	**9,222.91**
Capital Work in Progress									**1,073.59**

Notes :

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

	Land	Building constructed on the Land
	As at March 31,2013	**As at March 31,2013**
Gross Block	151.94	147.64
Net Block	141.46	117.32

2. Building includes ₹ 132.55 million (Previous Year : ₹ 132.55 million) pertaining to property purchased and capitalized pending registration.

Annexure V-Notes to the Restated Standalone Financial Information of Avenue Supermarts Limited

Note 7- FIXED ASSETS 2011-12

₹ in million

Partiulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK
	As at April 01,2011	Additions	Disposals/ Adjustments	Cost as at March 31,2012	As at April 01,2011	For the year	On Disposals/ Adjustments	As at March 31,2012	As at March 31,2012
A. Tangible assets									
Freehold Land	1,008.28	469.79	12.64	1,465.43	-	-	-	-	1,465.43
Leasehold Land	1,593.89	-	-	1,593.89	53.68	21.35	-	75.03	1,518.86
Leasehold Improvements	17.61	11.49	-	29.10	2.33	4.99	-	7.32	21.78
Building	3,209.21	1,349.05	(0.40)	4,558.66	401.87	173.03	0.01	574.89	3,983.77
Furniture and fixtures	386.99	100.47	7.47	479.99	173.35	71.53	5.78	239.10	240.89
Plant & Machinery	186.54	50.14	3.88	232.80	50.93	20.91	3.38	68.46	164.34
Office Equipments	35.36	13.88	0.70	48.54	11.42	6.04	0.79	16.67	31.87
Computers	110.51	29.63	5.47	134.67	63.56	23.42	4.82	82.16	52.51
Electrical Installations	358.17	85.80	3.60	440.37	116.79	46.42	2.68	160.53	279.84
Vehicles	14.44	9.90	2.97	21.37	7.86	3.22	0.37	10.71	10.66
Total (A)	**6,921.00**	**2,120.15**	**36.33**	**9,004.82**	**881.79**	**370.91**	**17.83**	**1,234.87**	**7,769.95**
B. Intangible assets									
Software	47.40	7.58	-	54.98	31.52	5.73	-	37.25	17.73
Trademarks	0.07	-	-	0.07	0.07	-	-	0.07	-
Total (B)	**47.47**	**7.58**	**-**	**55.05**	**31.59**	**5.73**	**-**	**37.32**	**17.73**
Total (A+B)	**6,968.47**	**2,127.73**	**36.33**	**9,059.87**	**913.38**	**376.64**	**17.83**	**1,272.19**	**7,787.68**
Capital Work in Progress									**741.88**

Notes :

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

	Land	Building constructed on the Land
	As at March 31, 2012	**As at March 31, 2012**
Gross Block	151.94	147.53
Net Block	142.99	123.38

2. Building includes ₹ 132.55 million (Previous Year : ₹ NIL) pertaining to property purchased and capitalized pending registration.

Annexure V-Notes to the Restated Standalone Financial Information of Avenue Supermarts Limited

₹ in million

Note 8 - Other Non Current Assets	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Margin Money Deposits with Banks (Held as lien by bank against bank guarantees)	2.93	2.01	-	-	-
Long term deposits with banks with maturity period more than 12 months	0.06	0.06	0.05	0.05	0.04
Total	**2.99**	**2.07**	**0.05**	**0.05**	**0.04**

₹ in million

Note 9 - Inventories	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Stock in Trade (For method of valuation of inventory, Refer Anexure IV,Note: 2.6)	6,602.01	5,299.17	3,639.79	2,578.14	1,852.65
Total	**6,602.01**	**5,299.17**	**3,639.79**	**2,578.14**	**1,852.65**

₹ in million

Note 10 - Cash and Bank Balances	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
(i) Cash and Cash Equivalents					
a. Cash on hand	75.19	126.99	285.56	164.13	60.10
b. Balance with Banks					
- In current accounts	244.15	225.57	227.28	420.26	284.74
- Demand deposits (Less than 3 months maturity)	0.01	-	-	-	100.00
(ii) Other Bank Balances					
- Bank Deposits with maturity more than 3 months but less than 12 months - Balances with banks to the extent held as margin money (Held as lien by bank against Bank guarantees)	6.13	5.93	5.45	0.02	0.60
(iii) Remittance in transit	0.39	0.14	0.86	4.51	1.05
Total	**325.87**	**358.63**	**519.15**	**588.92**	**446.49**

₹ in million

Note 11 - Other Current Assets	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Interest accrued on Bank Deposits	0.48	0.01	0.02	-	0.04
Interest accrued on Advances & Deposits	21.68	25.54	27.11	17.88	13.40
Asset Held for Sale	-	-	-	-	12.64
Total	**22.16**	**25.55**	**27.13**	**17.88**	**26.08**

Annexure V Notes to the Restated Standalone Financial Information of Avenue Supermarts Limited

₹ in million

Note 12 - Revenue from Operations	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Sales of : Own Merchandise	91,390.50	68,575.66	49,820.48	35,462.03	23,442.68
Consignment Merchandise	882.59	969.97	899.05	886.17	647.20
Less : Value Added Tax	(5,932.25)	(4,509.88)	(3,248.85)	(2,319.30)	(1,597.66)
Less : Cost of Consignment Merchandise	(767.82)	(844.15)	(771.50)	(759.46)	(516.20)
Other Operating Income	222.33	143.60	106.83	76.74	49.98
Total Revenue from operations	**85,795.35**	**64,335.20**	**46,806.01**	**33,346.18**	**22,026.00**

₹ in million

Note 13 -Change in inventory of Stock-in-Trade	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Closing Stock	6,602.01	5,299.17	3,639.79	2,578.14	1,852.65
Opening Stock	5,299.17	3,639.79	2,578.14	1,852.65	1,179.12
	(1,302.84)	**(1,659.38)**	**(1,061.65)**	**(725.49)**	**(673.53)**

₹ in million

Note 14 - Employee Benefit Expenses	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Salaries, Allowances and Others	1,319.21	1207.80	778.26	628.01	416.78
Expense on Employee Stock Option Scheme					
(Refer Note 31)	-	1.45	0.55	-	-
Contribution to Provident Fund and other funds *	56.87	40.89	32.04	22.96	11.38
Employee Welfare Expenses	81.84	62.19	41.43	24.02	19.23
	1,457.92	**1,312.33**	**852.28**	**674.99**	**447.39**
*** Contribution to Provident Fund and other funds**					
Amount recognised in the Statement of Profit and Loss					
(i) Provident fund paid to the authorities	17.39	12.51	9.80	7.02	3.48
(ii) Pension fund paid to the authorities	39.48	28.38	22.24	15.94	7.90
Total	**56.87**	**40.89**	**32.04**	**22.96**	**11.38**

₹ in million

Note 15 - Other Operational Costs	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Contract Labour Charges	1,485.91	1,143.95	909.77	587.15	376.78
General Cleaning Expenses	161.56	130.00	105.58	72.39	53.05
Rent (Refer Note 23 (ii))	189.16	117.71	68.71	61.62	42.98
Electricity & Fuel Charges	786.18	586.36	445.81	343.80	223.12
Security Charges	403.71	301.64	220.42	156.33	106.40
Total	**3,026.52**	**2,279.66**	**1,750.29**	**1,221.29**	**802.33**

₹ in million

Note 16 - Finance Costs	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Interest on term loans from banks	639.54	712.35	600.67	438.68	279.09
Interest on Non Convertible Debentures	305.52	97.37	-	-	-
Interest Others	69.03	17.04	25.45	57.47	62.90
	1,014.09	826.76	626.12	496.15	341.99
Less : Capitalised	(110.62)	(112.46)	(76.20)	(74.84)	(84.32)
	903.47	714.30	549.92	421.31	257.67
Finance Charges	3.81	5.36	3.34	2.77	2.53
Total	**907.28**	**719.66**	**553.26**	**424.08**	**260.20**

₹ in million

Note 17 - Depreciation and Amortisation	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Depreciation on Tangible assets (Refer Annexure V (Note-7))	955.85	789.57	551.14	440.48	370.91
Amortisation on Intangible assets(Refer Annexure V (Note-7))	16.04	14.46	13.98	10.28	5.73
Investment Property(Refer Annexure X)	6.49	6.81	7.07	7.07	6.24
Less : Capitalized	7.40	4.80	7.76	2.27	8.71
Total	**970.98**	**806.04**	**564.43**	**455.56**	**374.17**

₹ in million

Note 18 -Other Expenses	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Insurance	7.08	6.57	5.41	3.82	1.91
Rates and Taxes	107.21	87.48	72.73	69.85	62.81
Repairs and Maintenance:					
- Building	90.14	93.98	58.68	37.19	33.28
- Plant and Machinery	114.10	87.60	67.04	58.40	32.49
- Others	109.92	63.66	59.80	52.12	43.36
Administrative Expenses	99.72	86.55	60.63	61.20	50.69
Legal and Professional Fees	74.19	71.59	23.07	20.57	14.94
Travelling and Conveyance	87.23	69.34	43.92	35.43	27.90
Payment to Auditors					
- Audit Fees	3.13	3.38	3.04	2.47	2.03
- Other Services	-	-	-	0.45	-
- Reimbursement of Expenses	0.03	0.07	0.08	0.11	0.18
Donation Paid	0.36	0.25	2.92	0.27	0.13
Miscellaneous Expenses	157.09	107.66	77.01	49.67	27.86
Selling and Distribution Expenses	654.90	494.28	364.58	264.63	222.40
Expenditure towards Corporate Social Responsibility (CSR) activites (Refer Note 30)	49.78	21.69	-	-	-
Sundry Balances written off	0.70	1.03	1.67	7.21	7.29
Expenses on increase in Share Capital	-	-	-	-	1.93
Loss on sale/discardment of fixed assets (Net)	7.81	14.37	5.54	4.88	5.56
Exchange Loss / (Gain) (Net)	-	-	0.17	-	-
Total	**1,563.39**	**1,209.50**	**846.29**	**668.27**	**534.76**

Note-19 **The details of amounts outstanding to Micro and Small Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:**

₹ in million

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
1	Principal amount due and remaining unpaid	0.25	0.28	0.06	0.11	0.27
2	Interest due on (1) above and the unpaid interest	0.10	0.04	0.00*	0.01	0.07
3	Interest paid on all delayed payments under the MSMED Act	-	-	-	-	-
4	Payment made beyond the appointed day during the year	-	-	-	-	-
5	Interest due and payable for the period of delay other than (3) above	0.10	0.04	0.00*	0.01	0.07
6	Interest accrued and remaining unpaid	-	-	-	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-	-	-	-

*The amount is below the rounding off norms adopted by the Company.

Note-20 The Company has not entered into derivative transactions during any of these years.Unhedged foreign currency exposure at the end of each year is NIL.

Note-21 The Company had made investments in M/s Nahar Seth & Jogani Associates, Partnership firm. Capital Contribution and Profit Sharing ratio of the partnership were as follows:

₹ in million

Particulars	Capital	Profit / Loss Sharing Ratio
Avenue Supermarts Limited	22.00	90.00%
Gopikishan Shivkishan Damani	2.50	5.00%
Ramesh Sumermal Shah	0.50	3.00%
Sukraj Babulal Nahar (HUF)	-	2.00%
Total	25.00	100.00%

Over and above, advances of ₹ 82.67 million as on March 31 ,2014 (March 31, 2013: ₹ 82.67 million, March 31, 2012: 82.67 million were outstanding from the Partnership firm.

On February 21, 2014, Nahar Seth Jogani Developers P. Ltd. was incorporated under Part IX of the Companies Act 1956 and assets and liabilities of said Partnership Firm were taken over by the newly incorporated company. Consequent to the transaction, the Company has made an investment of ₹ 0.9 million in equity shares of Nahar Seth Jogani Developers P. Ltd. and advances of ₹ 82.67 million given to the partnership firm were transferred to the new company as Rent Deposit against a premises.

Annexure V Notes to the Restated Standalone Financial Information of Avenue Supermarts Limited

Note-22 As per Accounting Standard 18 - Related Party Disclosures.

(a) Relationships

(i) Shareholders who exercise control:
Mr. Gopikishan Damani
Mr. Radhakishan Damani
Mrs. Kirandevi Damani
Mrs. Shrikantadevi Damani
M/s. Bright Star Investments Private Limited

(ii) Directors:
Mr. Ramakant Baheti
Mr. Ignatius Navil Noronha
Mr.Ramesh Damani(Independent Director) (w.e.f. 09.09.2009)
Mrs.Manjri Chandak
Mr.Elvin Machado(w.e.f. 10.06.2015)
Mr.Sadanand M Padhye(upto 04.08.2012)
Mr.Chandrashekhar Bhave(Independent Director)(w.e.f. 17.05.2016)

(iii) Enterprises over which the company exercise control:
M/s.Avenue Food Plaza Private Limited
M/s Align Retail Trades Private Limited
M/s.Nahar Seth & Jogani Developers Private Limited

(iv) Associate Enterprises:
M/s. Avenue E Commerce Ltd.

(v) Relatives of Directors with whom transactions have taken place:
Mrs. Kajal Ignatius Navil Noronha
Mrs Rekha Baheti

(vi) Entity controlled by persons mentioned in (i) above with whom transaactions have taken place:

M/s. Damani Estate and Finance Pvt Ltd.

(b) Transaction with related parties

₹ in million

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Purchases :					
Purchase of Goods					
Align Retail Trades Private Limited	4,332.88	3,900.93	5,807.73	4,200.17	2,581.86
Expenses :					
Remuneration					
- Mr. Ignatius Navil Noronha	179.55	135.45	56.95	5.21	23.94
- Mr. Ramakant Baheti	7.50	44.08	4.08	4.36	26.40
- Mr. Elvin Machado	3.88	-	-	-	-
- Mr. Sadanand Padhye	-	-	-	7.04	5.77
Rent Expense					
Nahar Seth Jogani Developers Pvt Ltd	8.59	8.43	-	-	-
Income :					
Rent Income					
Align Retail Trades Private Limited	0.82	0.82	0.92	0.92	0.90
Avenue Food Plaza Private Limited	1.30	1.20	1.31	1.36	1.58
Interest Income					
Align Retail Trades Private Limited	19.74	24.55	27.19	19.35	14.76
Reimbursement of Expenses					
Align Retail Trades Private Limited	9.91	10.87	15.35	16.43	8.81
Avenue Food Plaza Private Limited	3.38	4.11	-	-	-
Nahar Seth Jogani Developers Pvt Ltd	0.50	-	-	-	-
Finance :					
Equity share capital issued(including share premium)					
- Mr. Radha Kishan Damani	-	-	-	-	140.00
- Mrs. Shrikantadevi Damani	-	-	-	-	60.00
- Mr. Ignatius Navil Noronha	-	120.00	-	-	36.50
- Mr. Ramakant Baheti	-	30.00	-	-	14.25
- Mr. Sadanand Padhye	-	-	-	2.62	0.72
- Mrs. Kajal Ignatius Navil Noronha	-	-	-	-	10.00
- Mrs Rekha Baheti	-	-	-	-	5.75
Loan Repaid					
- Mr. Ignatius Navil Noronha	-	-	-	-	34.60
Loan given					
- Mr. Ignatius Navil Noronha	-	-	-	-	34.60
Investment in Share Capital					
Align Retail Trades Private Limited	-	-	-	19.90	-
Nahar Seth Jogani Developers Pvt Ltd (Refer Note -21)	-	-	0.90	-	-
Avenue E- Commerce Limited	138.96	-	-	-	-
Others					
Repayment of Capital by M/s.Nahar Seth & Jogani Associates	-	-	21.10	-	-
Advance given to Avenue Food Plaza Private Limited	-	-	2.70	-	-
Outstandings :					
Deposits given against Premises					
Nahar Seth and Jogani Associates / Nahar Seth Jogani Developers P Ltd.	83.69	83.19	82.67	82.67	82.67
Deposits taken against Premises					
Avenue Food Plaza Private Limited	18.85	18.85	18.85	15.70	-
Directors' Remuneration Payable	-	-	-	0.42	0.42
Payables					
Align Retail Trades Private Limited	99.32	217.59	81.33	95.26	28.72
Advances					
Align Retail Trades Private Limited	137.61	188.03	35.80	198.10	118.27
Avenue Food Plaza Private Limited	7.65	-	-	-	-
Receivables					
Align Retail Trades Private Limited	18.25	24.47	24.47	17.07	12.25
Avenue Food Plaza Private Limited	1.34	4.78	3.17	0.15	0.05

Note for Guarantee commitments (taken) :

₹ in million

Type of Loan	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Secured Loans (Personal guarantees of Mr. Radhakishan Damani and Mr. Gopikishan Damani)	5,152.66	5,395.12	6,139.08	4,847.40	3,173.43
Unsecured Loan (Personal guarantees of Mr. Radhakishan Damani, Mr. Gopikishan Damani, Mrs.Kirandevi Damani , Mrs.Shrikantadevi Damani and Company referred in (a)(vi) above)	-	-	-	400.00	600.00

Note for Guarantee commitments (Given) :

₹ in million

Type of Loan	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Secured Loans (Guarantee given by ASL for ARTL)	160.00	160.00	160.00	160.00	80.00

Annexure V Notes to the Restated Standalone Financial Information of Avenue Supermarts Limited

Note-23 Disclosures as per AS-19 Lease:

(i) Premises and fixed assets given on operating lease :

The total future minimum lease rental receivable at the Balance Sheet date is as under:

₹ in million

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012
Lease rent Income recognized in the Profit and Loss Account of the current year Including contingent rent : ₹ 0.3 million (for year 2014-15 ₹ 0.3 million, 2013-14 ₹ 0.38 million, for year 2012-13 ₹ 0.41 million, for the year 2011-12 ₹ 0.22 million)	128.98	127.25	77.30	72.10	60.35
- For a period not later than one year	123.58	130.77	70.48	30.16	64.84
- For a period later than one year and not later than 5 years	138.56	179.70	144.68	104.90	60.98
- For a period later than five years	3.61	25.90	46.65	72.66	40.50

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 as the higher of (a) fixed minimum guarantee amount and (b) revenue share percentage.

(ii) Premises taken on operating lease :

₹ in million

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012
Lease rent Expenses recognized in the Profit and Loss Account of the current year	189.16	117.71	68.71	61.62	42.98
The total future minimum lease rent payable at the Balance Sheet date :					
- For a period not later than one year	185.64	116.31	84.29	66.97	54.89
- For a period later than one year and not later than 5 years	595.10	521.67	311.80	251.50	318.48
-For a period later than five years	2.68	1,834.17	1,041.21	149.73	149.73

Premises are taken on operating lease for various agreement periods ranging from 3 years to 9 years.

Note-24 Capital Commitments

₹ in million

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Estimated amounts of contracts remaining to be executed on capital account and not provided for (Net of advances)	4,886.55	3,821.42	2,431.38	1,421.11	468.14

Note-25 Contingent Liabilities:

Claims against company not acknowledged as debts.

₹ in million

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Income Tax Matters	2.95	0.93	4.63	2.73	48.22
VAT Matters	26.13	25.92	32.81	1.06	2.12
Service Tax Matters	6.91	6.91	-	-	-
Other Matters	6.31	5.18	0.08*	0.08	-

*The above excludes, the notices received for recovery of dues amounting to ₹ 24.12 million pertaining to a premises acquired by the Company. As per the terms of the agreement with the seller of the premises in the event of a liability devolving on the Company ,the same shall be recoverable from the Seller.

It is not practiable for the Company to estimate the timings of cash outflows , if any in respect of above pending resolutions of the respective proceedings.

Note-26 The amount held in trust by the Company ₹ 1.99 million was under a Court Order in relation to a fraud of ₹ 2.00 (pertaining to the year 2008-09) in cash handled by an external agency appointed personnel.

Note-27 Disclosure in terms of Accounting Standard 15-Employee Benefits:

a. Defined Benefit Plans - Gratuity :

(i) Reconciliation of opening and closing balances of Defined Benefit obligation:

₹ in million

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Defined Benefit obligation at beginning of the year	52.78	34.80	22.42	14.59	9.73
Current Service Cost	12.50	9.35	7.47	4.67	3.72
Interest Cost	4.24	3.23	1.79	1.24	0.81
Actuarial (gain) / loss	4.53	6.78	4.24	2.81	0.63
Benefits paid	(2.84)	(1.38)	(1.12)	(0.89)	(0.30)
Defined Benefit obligation at year end	71.21	52.78	34.80	22.42	14.59

(ii) Expense recognized under employment costs during the year :

₹ in million

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Current Service Cost	12.50	9.35	7.47	4.67	3.72
Interest Cost	4.24	3.23	1.79	1.24	0.81
Expected Returns on Plan Assets	(3.23)	(2.68)	(1.31)	-	-
Actuarial (gain) / loss	4.27	4.14	4.67	2.80	0.63
Net Cost	17.78	14.04	12.62	8.71	5.16

(iii) Actuarial assumptions

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Mortality Table (LIC)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	LIC(1994-96)Ult	LIC(1994-96)Ult	LIC(1994-96)Ult
Discount rate (per annum)	7.84%	8.04%	9.29%	8.00%	8.50%
Rate of escalation in salary (per annum)	8.00%	8.00%	8.00%	7.00%	7.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

(iv) Fair Value of Plan Assets

₹ in million

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Fair Value of plan assets at the beginning of the period	40.12	30.81	15.01	-	-
Expected Returns On The Plan Assets	3.23	2.68	1.31	-	-
Contributions	12.67	3.99	14.92	15.00	-
Acturial Gains/(Losses) on Plan Assets	0.26	2.64	(0.43)	0.01	-
Fair Value of Plan Assets At The End OF The Period	56.28	40.12	30.81	15.01	-

(v) Actual Returns On Plan Assets

₹ in million

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Expected Returns On The Plan Assets	3.23	2.68	1.31	-	-
Acturial Gains/(Losses) on Plan Assets	0.26	2.64	(0.43)	0.01	-
Actual Retun On Plan Assets	3.49	5.32	0.88	0.01	-

(vi) Amount Recognised In The Balance Sheet

₹ in million

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Fair Value of Plan Assets At The End of The Period	56.28	40.12	30.81	15.01	-
(Present Value of Benefit Obligation As the End Of The Period)	(71.21)	(52.78)	(34.80)	(22.42)	(14.59)
Funded Status	(14.93)	(12.66)	(3.99)	(7.41)	(14.59)
Net Liability /Assets Recognised In The Balance Sheet	(14.93)	(12.66)	(3.99)	(7.41)	(14.59)

(vii)

₹ in million

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Expected Contribution to trust in next year	14.93	12.66	3.99	7.41	14.59

₹ in million

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Defined Benefit obligation at year end	71.21	52.78	34.80	22.42	14.59
Plan Asset	56.28	40.12	30.81	15.01	-
Surplus / Deficit	14.93	12.66	3.99	7.41	14.59

(b)

₹ in million

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012
Amount recognized in the Profit and Loss Account under the defined contribution plan	56.87	40.89	32.04	22.96	11.38

Note-28 Value of imports calculated on CIF basis:

₹ in million

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Traded Goods	1,870.67	1,360.67	378.90	124.82	-
Capital Goods	33.79	9.70	-	13.43	27.50

Note-29 Expenditure in Foreign Currency:

₹ in million

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012
Foreign Branch Expenses	14.02	8.96	-	-	-
Others	3.39	4.09	4.50	3.49	2.41

Note-30 Expenditure towards Corporate Social Responsibility (CSR) activites:

Gross amount required to be spent by the company during the year FY 2015-16 ₹ 46.85 million

₹ in million

Sr No	Particulars	In Cash	Yet to be paid in Cash	Total
i)	Construction/acquisition of any asset	-	-	-
ii)	On purposes other than (i) above	49.78	-	49.78
		49.78	**-**	**49.78**

Gross amount required to be spent by the company during the year FY 2014-15 ₹ 31.21 million

₹ in million

Sr No	Particulars	In Cash	Yet to be paid in Cash	Total
i)	Construction/acquisition of any asset	-	-	-
ii)	On purposes other than (i) above	21.69	-	21.69
		21.69	**-**	**21.69**

Note-31 Employee Stock option Plan:

The ESOP Committee of the Board of Directors of Avenue Supermarts Limited had granted Stock Options to certain eligible employees pursuant to the Avenue Supermarts Limited 'Employees Stock Options Scheme 2013' ("Scheme").The Vesting period was 1 year from the Grant date and the Exercise period is 3 months from Vesting date. The Scheme was administered by the ESOP Committee and as per the scheme, the Company shall issue not more than 35,000 Options per Employee under this Scheme. During the year ended as at 31,March 2014 the Company granted of 42,76,800 employee stock options to all the eligible employees of the Company at an exercise price of ₹ 17/- per option.

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Number of Options granted , exercised and forfeited					
Balance as the beginning of the year	-	4,276,800	-	-	-
Granted during the year	-	-	4,276,800	-	-
Less:- Exercised during the year	-	(4,151,800)	-	-	-
Forefeited / Lapsed during the Year	-	(125,000)	-	-	-
Balance as at the end of the Year		-	4,276,800	-	-
Percentage to current paid up equity share capital	**0%**	**0%**	**0.78%**	**0%**	**0%**

The Company has applied the intrinsic value based method of accounting for determining compensation cost for its stock based compensation plan and has accordingly accounted for year 2014-15 ₹ 1.48 million and for year 2013-14 ₹ 0.55 million as compensation cost under the 'intrinsic value' method. Had the Company considered 'fair value' method for accounting of compensation cost, the Company's net income and Basic and Diluted earnings per share as reported would have reduced to the pro-forma amounts as indicated:

₹ in million

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Net Profit after Tax as per restated	3,189.17	2,106.91	1,595.96	925.82	594.28
Less:- Stock based employee compensation expenses	-	13.25	4.93	-	-
Adjusted Pro-forma	3,189.17	2,093.66	1,591.03	925.82	594.28
Basic Earning per share reported ₹	5.68	3.85	2.93	1.72	1.17
Pro-forma basic earning per share ₹	N.A.	3.83	2.92	N.A.	N.A.
Diluted earning per share as reported ₹	5.68	3.85	2.92	1.72	1.17
Pro-forma diluted earning per share ₹	N.A.	3.83	2.91	N.A.	N.A.

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Risk free Interest rate	N.A.	8.36%	8.36%	N.A.	N.A.
Expected Volatility		50.49%	50.49%		
Dividend Yield		-	-		

Note-32 As per the requirements 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 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 one more independent director was only completed only on 17th May, 2016. The Company is making an application for compounding the delay in appointment of second Independent Director to the Central Government.

Note-33 Since the Company is not engaged in any manufacturing activity, disclosures on account of Raw Material Consumption/ Value of Imported and Indigenous Material Consumed are not applicable.

Note-34 The Company is dealing in a large number of products, viz. household goods, crockery and cutlery, grocery, foodstuff, apparels, etc. In view of the multiplicity of items sold in terms of product characteristics, the disclosure under broad heads in respect of purchases and sales as required under Section 129 of the Companies Act, 2013 is not practically possible.

Note-35 The Company regards the business of retail as a single reportable segment. Further, the Company operates within single geographical segment. Accordingly, disclosures required under Accounting Standard – 17 "Segment Reporting" are not applicable.

Annexure VI-Restated Statement on Adjustments to Audited Standalone Financial Statements of Avenue Supermarts Limited

Summarized below are the restatement adjustments made to the Audited Standalone Financial Statements for the years ended March 31, 2016, 2015, 2014, 2013, and 2012 and their impact on the profit / (loss) of the Company:

₹ in million

Particulars	For the Year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
A. Adjustments: **Material Restatement Adjustments** **(Excluding those on account of changes in accounting policies):**					
(i) Audit Qualifications	-	-	-	-	-
Total:	-	-	-	-	-
(ii) Other material adjustments					
(a) Sundry balances written off (Refer Note VI.A2.1)	0.50	0.99	0.76	0.32	4.68
(b) Provisions no longer required written back (Refer Note VI.A2.2)	(1.83)	(1.15)	(1.27)	2.15	(1.96)
(f) Incremental Provision for Bonus - Active & Elligible Employees (Refer Note VI.A2.3)	6.83	(6.83)	-	-	-
(g) Impact on Tax in Respect of Earlier Years (Refer Note VI.A. 2.4)	1.32	-	-	-	0.66
Total:	**6.82**	**(6.99)**	**(0.51)**	**2.47**	**3.38**
(iii) Deferred Tax Adjustments(Refer Note VI.A.4)	0.46	0.06	0.18	(0.84)	(0.88)
B. Adjustments on account of changes in accounting policies :					
	-	-	-	-	-
Total:	-	-	-	-	-
Total impact of Adjustments (A+B)	**7.28**	**(6.93)**	**(0.33)**	**1.63**	**2.50**

Annexure VI (continued..)
Statement on Adjustments to Audited Standalone Financial Statements of Avenue Supermarts Limited

Notes

A) Adjustments

1 **Adjustments for Audit Qualifications: None**

2 **Other Material Adjustments**

1. In the audited financial statements of the company for the years ended March 31,2016, 2015 , 2014 , 2013 , 2012 , certain amounts have been written off for which advances have been given to vendors which are considered bad & doubtful hence are appropriately adjusted in the respective years to which they relate.

2. In the audited financial statements of the Company for the years ended March 31,2016, 2015, 2014, 2013, 2012 , certain provisions/ liabilities created in earlier years were written back. For the purpose of this statement, the said provisions/ liabilities have been appropriately adjusted in the respective years in which they were originally created.

3. The Payment of Bonus Act, 1965 (' the Act") has been amended vide the Payment of Bonus (Amendment) Act, 2015. The Act has been amended to take retrospective effect w.e.f. April 01, 2014 and accordingly revised bonus (including arrears related to the year ended March 31, 2015) is required to be paid to the eligible employees. Hence, the Company has recognized statutory bonus of ₹ 6.83 million relating for the year ended March 31, 2015. The same will form part of salaries, allowances and others with a corresponding amount included in Employees Related Liabilities payable as at March 31, 2015.

4.In the audited financial statements of the Company for the year ended March 31, 2012 to 2016 taxes have been accounted for pertaining to earlier years based on return of income and / or intimations/ orders received from Income-tax authorities. For the purpose of these statements, such items have been appropriately adjusted to the respective years to which they relate.

3 **Changes in Accounting Policy : None**

4 **Tax Adjustments :**The tax rate applicable for the respective periods/years has been used to calculate the deferred tax impact on other material adjustments.

5 **Opening Reserve Reconciliation**

Surplus/Deficit in the Statement of Profit and Loss as at April 1, 2011 ₹ in million

Surplus in Statement of Profit and Loss, as per audited Balance Sheet as at April 1, 2011	785.99
Adjustment on account of Restatements:-	
(a) Sundry balances written off (Refer Note VI.A2.1)	(7.25)
(b) Sundry balances written back (Refer Note VI.A2.2)	4.06
(c) Impact on Tax Due in Respect of Earlier Years (Refer Note VI.A2.4)	(1.98)
Deferred Tax Adjustments(Refer Note VI.A.4)	1.02
Surplus as per Restated Standalone Financial Information as at April 1, 2011	**781.84**

Annexure VI (continued..)
Statement on Adjustments to Audited Standalone Financial Statements of Avenue Supermarts Limited

B) Auditor's Comment in Company Auditor's Report Order - Non - Adjusting Items :-

Statutory Auditors have made the following comments in terms with the requirements of the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Companies act, 2013 of India for Financial Year 2015-16 and 2014-15 and in terms with the requirements of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section 4A of Section 127 of the Companies act, 1956 of India for Financial Year 2013-14, 2012-13 and 2011-12:

FY 2015-16
Clause 7

(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 Employees state Insurance, income tax ,service tax, profession tax, works contract tax and labour welfare fund though there has been a slight delay in a few cases , and is regular in depositing undisputed statutory dues, including provident fund, sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues , as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2016, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount(₹)	Period to which the amount relates	Due date	Date of Payment
Finance Act, 1994	Service Tax on Transportation	7,207	2015-16	6-Aug-2015	16-Jun-2016
Finance Act, 1994	Service Tax on Transportation	1,577	2015-16	6-Feb-2015	16-Jun-2016
Finance Act, 1994	Service Tax on Transportation	11,036	2014-15	6-Mar-2015	June 16,2016
Finance Act, 1994	Service Tax on Transportation	11,486	2015-16	6-Sep-2015	16-Jun-2016
Income Tax Act 1961	Tax Deducted at Source	303	2015-16	7-Sep-2015	April 30,2016
Maharashtra Labour Welfare Fund Act, 1953	Labour Welfare Fund	720	2015-16	15-Jul-2015	1-Jun-2016

(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, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount(₹)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	6,912,717	2008-2013	Commissioner
Gujarat Value Added Tax Act, 2003	Value Added Tax	15,913,955	2012-14	Commercial Taxes Department
Gujarat Value Added Tax Act, 2003	Value Added Tax	1,419,226	2008-09	Commercial Taxes Department
Gujarat Value Added Tax Act, 2003	Value Added Tax	1,359,374	2009-10	Commercial Taxes Department
Gujarat Value Added Tax Act, 2003	Value Added Tax	4,102,446	2010-2011	Commercial Taxes Department
Maharashtra Value Added Tax Act, 2002	Value Added Tax	912,007	2008-09	Commercial Taxes Department
Maharashtra Value Added Tax Act, 2002	Value Added Tax	1,861,179	2011-12	Commercial Taxes Department
Income Tax Act, 1961	Income Tax	2,697,334	2007-08	Inome Tax Officer
Income Tax Act, 1961	Income Tax	108,110	2009-10	Inome Tax Officer

Emphasis of Matter:
We draw attention to Note 41 in the standalone financial statements for the year ended March 31, 2016 regarding the delay in appointment of one independent director as per the requirements of Sec.149 of the Companies Act 2013 and the rules made thereunder. The Company has since made an application for compounding to the Central Government as of the date of this report. Our opinion is not qualified in respect of this matter (Also refer Annexure V, Note 32 in the restated standalone financial information).

Annexure VI (continued..)
Statement on Adjustments to Audited Financial Statements of Supermarts Avenue Limited

FY 2014-15

Clause 7

(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 Employees state insurance, income tax, service tax, value added tax, local body tax, profession tax, works contract tax and labour welfare fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, sales tax, wealth tax, duty of customs, duty of excise and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2015, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Due date	Date of Payment
Maharashtra Valued Added Tax Act 2002	Works Contract Tax	124,000	2014-15	21-Sep-14	21-Nov-15

(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, wealth-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, 2015 which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of dues	Amount(₹)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	6,913,000	2008-2013	Commissioner
Gujarat Value Added Tax Act, 2003	Value Added Tax	16,767,000	2011-2013	Commercial Taxes Department
Gujarat Value Added Tax Act, 2003	Value Added Tax	2,331,000	2008-2009	Commercial Taxes Department
Gujarat Value Added Tax Act, 2003	Value Added Tax	2,717,000	2009-2010	Commercial Taxes Department
Gujarat Value Added Tax Act, 2003	Value Added Tax	4,102,000	2010-2011	Commercial Taxes Department
Income Tax Act, 1961	Income Tax	1,071,000	2009-2010	Appellate Tribunal
Income Tax Act, 1961	Income Tax	1,165,000	2010-2011	Appellate Tribunal

Annexure VI (continued..)
Statement on Adjustments to Audited Financial Statements of Supermarts Avenue Limited

FY 2013-14

Clause 9

(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 employees state insurance, profession tax, local body tax, service tax and works contract tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including income tax, provident fund, investor education and protection fund, sales tax, wealth tax, customs duty, excise duty 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 wealth-tax, service-tax, customs duty and excise duty which have not been deposited on account of any dispute. The particulars of dues of income tax and sales tax as at March 31, 2014 which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of dues	Amount(₹)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act 1961	Tax Deducted at Source	17,260	2007-2008	CIT(A)
Income Tax Act 1961	Tax Deducted at Source	1,071,020	2009-10	CIT(A)
Income Tax Act 1961	Tax Deducted at Source	2,227,741	2010-11	CIT(A)
Income Tax Act 1961	Income Tax	1,321,470	2010-11	CIT(A)
Income Tax Act 1961	Tax Deducted at Source	624,030	2011-12	CIT(A)
Income Tax Act 1961	Tax Deducted at Source	583,460	2012-13	CIT(A)
Andra Pradesh Vat Act ,2005	Value Added Tax	1,060,418	2010-11 & 2011-2012	Commercial Taxes Department
Gujarat Value Added Tax Act, 2003	Value Added Tax	2,019,226	2008-09	Commercial Taxes Department
MVAT Act,2002	Value Added Tax	1,993,690	2008-09	Commercial Taxes Department
Gujarat Value Added Tax Act, 2003	Value Added Tax	4,105,061	2009-10	Commercial Taxes Department
Gujarat Value Added Tax Act, 2003	Value Added Tax	28,444,608	2008-2009 & 2013-14	Commercial Taxes Department

Annexure VI (continued..)
Statement on Adjustments to Audited Financial Statements of Avenue Supermarts Limited

FY 2012-13

Clause 9

(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 Provident Fund, Employees State Insurance, Value Added Tax, Labour Welfare Fund, Profession Tax, NMC Cess, Local Body Tax and Service tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including , income tax, wealth tax,investor eductaion and protection fund ,excise duty, custom duty 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, the particulars of dues of income tax and sales tax as at March 31, 2013 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount(₹)	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Tax Deducted at Source	17,260	2007-08	CIT(A)
Income tax Act, 1961	Income tax	1,071,020	2009-10	CIT(A)
Income tax Act, 1961	Tax Deducted at Source	2,617,144	2010-11	CIT(A)
Andra Pradesh Vat Act, 2005	Value Added Tax	1,060,418	2010-11	Commercial Taxes Department
Income tax Act, 1961	Tax Deducted at Source	624,030	2011-12	CIT(A)

According to information and explanations given to us and the records of the Company examined by us, there are no dues of wealth tax, service tax, customs duty and excise duty, as at 31st March 2013, which have not been deposited on account of any dispute.

FY 2011-12

Clause 9

(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 the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty 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, the particulars of dues of income-tax and sales-tax as at 31st March, 2012 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount(₹)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Tax deduction at source	17,124,000	2007-08	CIT (A)
		31,010,000	2008-09	CIT (A)
Andhra Pradesh VAT Act, 2005	Value Added Tax	2,121,000	2010-11	Commercial Taxes Department

According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax, service-tax, customs duty and excise duty, as at 31st March, 2012, which have not been deposited on account of any dispute.

Annexure VII-Restated Standalone Statement of Secured Borrowings of Avenue Supermarts Limited

₹ in million

Particulars	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Long term borrowings					
Secured term loans:					
From banks	3,584.69	5,137.75	4,568.37	3,711.62	2,643.19
Non Convertible Debentures	5,500.00	2,000.00	-	-	-
Total	**9,084.69**	**7,137.75**	**4,568.37**	**3,711.62**	**2,643.19**
Short term borrowings					
Secured					
Working Capital Loans from Banks	634.91	269.36	377.46	210.42	33.33
Current portion of Secured long term borrowings, included in Other Current Liabilities (Refer Annexure V, Note5)	1,553.07	1,468.01	1,293.26	925.36	530.24
Total	**11,272.67**	**8,875.12**	**6,239.09**	**4,847.40**	**3,206.76**

Annexure VII (A)

Restated Standalone Statement of Principal Terms of Secured Borrowings outstanding as at March 31, 2016 of Avenue Supermarts Limited

Sl. No.	Lender	Nature of Facility (Term Loan-INR, Working Capital Facility-Cash credit, NCD)	Loan currency	Amount Outstanding as at March 31, 2016 (₹ in Million)	Rate of Interest %	Repayment Terms	Other Principal Terms and Conditions
1	HDFC BANK	Term Loan	INR	272.59	10.60%	Moratorium period of 24 months. Repayment in 60 EMI after 2 years from 1 st Drawdown	Note no.1
2	HDFC BANK	Term Loan	INR	272.59	10.60%	Moratorium period of 24 months. Repayment in 60 EMI after 2 years from 1 st Drawdown	
3	HDFC BANK	Term Loan	INR	318.14	10.75%	Moratorium period of 24 months. Repayment in 60 EMI after 2 years from 1 st Drawdown	
4	HDFC BANK	Term Loan	INR	136.46	11.10%	Moratorium period of 24 months. Repayment in 60 EMI after 2 years from 1 st Drawdown	
5	HDFC BANK	Term Loan	INR	227.43	11.10%	Moratorium period of 24 months. Repayment in 60 EMI after 2 years from 1 st Drawdown	
6	HDFC BANK	Term Loan	INR	363.80	11.00%	Moratorium period of 24 months. Repayment in 60 EMI after 2 years from 1 st Drawdown	
7	HDFC BANK	Term Loan	INR	198.70	11.35%	Moratorium period of 18 months. Repayment in 54 EMI.	
8	HDFC BANK	Term Loan	INR	60.02	11.50%	Moratorium period of 18 months. Repayment in 54 EMI.	
9	HDFC BANK	Term Loan	INR	54.56	11.50%	Moratorium period of 18 months. Repayment in 54 EMI.	
10	HDFC BANK	Term Loan	INR	3.60	11.50%	Moratorium period of 18 months. Repayment in 54 EMI.	
11	HDFC BANK	Term Loan	INR	95.43	11.50%	Moratorium period of 18 months. Repayment in 54 EMI.	
12	HDFC BANK	Term Loan	INR	81.93	11.30%	Moratorium period of 18 months. Repayment in 54 EMI.	
13	HDFC BANK	Term Loan	INR	47.63	11.35%	Moratorium period of 18 months. Repayment in 54 months	
14	HDFC BANK	Term Loan	INR	12.80	11.50%	Moratorium period of 18 months. Repayment in 54 months	
15	HDFC BANK	Term Loan	INR	14.47	11.50%	Moratorium period of 18 months. Repayment in 54 months	
16	HDFC BANK	Cash Credit	INR	319.76	10.00%	Payable on demand	Note no. 4
17	HDFC BANK	NCD	INR	1,000.00	9.40%	Repayable in 3 to 5 years	Note no. 7
18	HDFC BANK	NCD	INR	1,000.00	9.10%	Repayable in 2 to 4 years	Note no. 8*
19	HDFC BANK	NCD	INR	500.00	9.10%	Repayable in 2 to 4 years	Note no. 9*
20	KOTAK BANK	Term Loan	INR	1,275.00	10.60%	Moratorium period of 12 months. Repayment in 60 monthly installment.	Note no. 2
21	KOTAK BANK	Term Loan	INR	316.30	11.35%	Moratorium period of 12 months. Repayment in 60 monthly installment under as- 13th to 71 th month - ₹ 16.7 million p.m and last month installment ₹ 14.7 million.	
22	KOTAK BANK	Term Loan	INR	316.30	10.75%	Moratorium period of 12 months. Repayment in 60 monthly installment under as- 13th to 71 th month - ₹ 16.7 million p.m and last month installment ₹ 14.7 million.	
23	KOTAK BANK	Term Loan	INR	350.00	11.25%	Moratorium period of 12 months. Loan repayment by 60 monthly installment of ₹ 12.5 million after moratorium period.	
24	KOTAK BANK	Term Loan	INR	100.00	10.50%	Moratorium period of 12 months. Loan repayment by 60 monthly installment of ₹ 12.5 million after moratorium period.	
25	KOTAK BANK	Cash credit	INR	120.08	10.00%	Payable on demand	Note no. 5
26	KOTAK BANK (ING)	Term Loan	INR	140.00	10.80%	Moratorium period of 2 years. Repayment in 16 equal quarterly installments from the quarter immediately ending after moratorium period.	Note no. 2
27	HSBC	Term Loan	INR	480.00	9.70%	Moratorium period of 6 months. Repayment in quarterly installments starting at end of 6 months from first disbursement.	Note no. 3
28	ICICI Bank	Cash Credit	INR	195.08	9.35%	Payable on demand	Note no. 6
29	SBI Life Insurance Co. Ltd	NCD	INR	900.00	10.38%	Repayable in 5 years	Note no. 10
30	ICICI Prudential	NCD	INR	1,100.00	10.00%	Repayable in 3 to 5 years	Note no. 11
31	ICICI Prudential	NCD	INR	1,000.00	9.25%	Repayable in 3 years	Note no. 12
			Total	**11,272.67**			

Note No. 1

First pari passu charge over immovable fixed assets situated at

1 *Reservation No.181A Cts No.4747 4748 & 4749 Ground + One Upper Floor Situated At Chinchwad Pune*
2 *Plot No.38/2 D-Mart At Budhwarpet In The Revenue Village Solapur, Taluka And Registration Sub-District Of North Solapur*
3 *132 Feet Road Vejalpur. Ahmedabad D-Mart Nr.Tv 9 Office Jivraj Park F.P.No.210 T.P.S.1 Vejalpur*
4 *Hulgeshwari Road, Ichalkaranji*
5 *D Mart S.No.132/1A Majrewadi Jule Solapur Road Vijapur Road Solapur Taluka Solapur*
6 *Building B3 Cerebrum S.No.14 Situated At Kumar City Vadgaonsheri Pune S.No.13B/1*
7 *City Gold Mall,Old Revenue Survey No. 183 Hissa No. 2 Block No. 334A And Now Bearing Final Plot No. 65 Of Tps No. 52 At Ring Road, Ahmedabad*
8 *Entire Basement First Second And Third Floor In Scheme Known As Sangath Mall Ii Mouje Motera*
9 *D Mart Opp New Viva Collage, Y.K Nagar Road, Bolinj Virar (W)*
10 *Ground Floor & Basement Amar Megaplex S.No.106 Hissa No 1/1 1/3 1/6 & S.No.110 Hissa No 11/24 Situated At Baner Pune*
11 *Sangath Mall-Iii Nr.Chirag Diamond India Colony Bapunagar F.P.No.145/1 Tps No-12 Mouje Asarwa*
12 *D-Mart Regent Square Nr.Mahalaxmi Temple Adajan Road Surat*
13 *Revenue Survey Nos. 121 To 124 Paiki, Block No. 121/A/1, T.P. Scheme No. 21 Original Plot No. 61/A/1, Final Plot No. 61/2A Near Bapa Sitaram Row House, Sarthana Jakatnaka, Surat Kamrej Road Of Village Sarthana, Taluka Surat*
14 *Plot No 1, Sector 34, Pimpri Chinchwad Road, Pune*
15 *Plot No.105, Sector No.7, Village-Kopar Khairane, Navi Mumbai, Maharashtra*
16 *Cts No 10973/80, S.No. 442/3, 100 Feet Road D Ward Gulmohar Colony Sangli - 416416*
17 *Entire Gr. Floor First Floor And Parking In Scheme Known As Shivalik Corporate Park Mouje- Jodhpur*
18 *Plot No.D, 54, A/2,A/5/,A/6A/7 River Park Society Near Madhav Residency Ved Road Village Singanpore Aluka Surat City District Surat*
19 *Lc No.1 Sector No.29 Situated At Pcntda Village Ravet Tal Haveli District Pune Nigdi*
20 *Plot No 42 & 45 Sectro 5 Village New Panvel Taluka Panvel*
21 *Plot No 22, Located At Ghansoli, Navimumbai*
22 *D Mart Opp. Raneshwar Soc,Near Hp Petrol Pump,Vasna Road,Vadodara,R.S. No. 334/1 T.P. No. 15 F.P. No. 166 Paiki,Plot No 166 Paikki Of Mouje Saited Vasna*
23 *City Survey No. 666,Plot No. K-107,City Survey No. 667,And Plot No. K-106,City Survey No. 668 And Plot No.K-105,Mouje Vallabh Vidyanagar Sub-District & Registration District Anand*
24 *Revenue Survey No. 257 To 260,City Survey No. 549,T.P. Scheme No. 1,Final Plot No. 549/1 Paiki,Mouje Akota,Sub-District & Registration District Vadodara*
25 *Revenue Survey No. 284,Hissa No. 1 And Survey No. 286,Hissa No. 1,City Survey No. 2183,Mouje Tarsali Makarpuaa Main Road,Makarpura Sub-District & Registration District Vadodara*
26 *Revenue Survey No.59,City Survey No. 1390,T.P. Scheme No. 18,Final Plot No. 183 Paiki,Mouje Manjalpur,Sub-District & Registration Distict Vadodara*

Note no. 2

First pari passu charge over immovable fixed assets situated at

1 *Mulund*
2 *Nalasopara*
3 *Dahisar*
4 *Kandivali*
5 *Aundh*
6 *Bommasandra*
7 *Sanath Nagar*
8 *Ambegaon*
9 *Siddhapura*

Note No. 3

First pari passu charge over immovable fixed assets situated at

1 *Sanpada*
2 *Nerul*
3 *Powai*

Note No. 4

First pari passu charge over receivables and current assets and personal guarantees of R. S. Damani and G. S. Damani

Note No. 5

First pari passu hypothecation charge on all existing and future current assets of the borrower and Personal guarantees of R.S. Damani and G. S. Damani

Note no. 6

First pari passu charge over receivables and current assets

Note no. 7

Various commercial properties situated at

1 *Mira road*
2 *Malad*
3 *Wagle Estate*

Note no. 8

Various commercial properties situated at

1 *Antrix*
2 *Nadiad*
3 *Ishana*
4 *Indore*
5 *Ramanthpur*
6 *Boisar*

*Creation of charge in favour of debenture trustee for non convertible debentures for 1000 millions.

Note no. 9

Commercial property situated at

1 *Ambernath*

*Creation of charge in favour of debenture trustee for non convertible debentures for 500 millions.

Note no. 10

Various commercial properties situated at

1 *Hinjewadi*
2 *Kalyan*
3 *Amravati*

Note no. 11

Various commercial properties situated at

1 *Kandivali*
2 *Malad*
3 *NSL*

Note no. 12

Various commercial properties situated at

1 *Kavesar*
2 *Kolshet*
3 *Wagale Estate*
4 *Nanded*

Annexure VIII-Restated Standalone Statement of Unsecured Borrowings of Avenue Supermarts Limited

₹ in million

Particulars	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Short term borrowings					
-Unsecured					
Commercial Paper	500.00	-	-	-	-
From Others(Refer Annexure V, Note 22)	-	-	-	400.00	600.00
Total	**500.00**	**-**	**-**	**400.00**	**600.00**

Notes :

1. There are no amounts payable to Directors or Promoters or entity related to Directors or Promoters of the company except as disclosed above.
2. The list of persons/entity classified as "Promoters and promoter group Company" has been provided by the management and relied upon by the auditors.

Annexure IX- Restated Standalone Statement of Other Long Term Liabilities of Avenue Supermarts Limited

₹ in million

Particulars	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Deposits received from Related Parties(Refer Annexure V, Note-22)	18.85	18.85	18.85	15.70	-
Deposits received from Others	161.72	160.84	124.43	133.86	113.39
Total	**180.57**	**179.69**	**143.28**	**149.56**	**113.39**

Notes :

1. There are no amounts payable to Directors or Promoters or entity related to Directors or Promoters of the company except as disclosed above.
2. The list of persons/entity classified as "Promoters and promoter group Company" has been provided by the management and relied upon by the auditors.

Annexure X-Restated Standalone Statement of Investments of Avenue Supermarts Limited

₹ in million

Particulars	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Non-current investments					
Trade Investments:					
Unquoted Instruments					
(For method of valuation of investments, Refer Annexure IV Note: 2.5)					
Investments in Subsidiaries					
In Equity Shares of : [Equity Shares of ₹ 10/- each fully paid up]					
1) 10,000 shares of Avenue Food Plaza Private Ltd.	0.10	0.10	0.10	0.10	0.10
2) 20,00,000 shares of Align Retail Trades Private Ltd.(as at March 31, 2013 to March 31,2016) & 10000 shares(as at March 31,2012)	20.00	20.00	20.00	20.00	0.10
3) 90,000 (March 31, 2015 : 90,000) shares of Nahar Seth Jogani Developers P Ltd. (Refer Note 1 below)	0.90	0.90	0.90	-	-
In Partnership firm:					
M/s Nahar Seth & Jogani Associates (Refer Note 1 below)	-	-	-	22.00	22.00
Investment in Associates					
138,96,075 (March 31, 2015 : NIL) shares of Avenue E-commerce Limited	138.96	-	-	-	-
Others					
Unquoted					
Government Securities					
National Saving Certificate*	-	0.03	0.03	0.03	0.01
(Deposited with Government department as security)					
Investment in Property					
(At cost less accumulated depreciation)					
Cost of Building given on operating lease	186.10	188.67	188.67	188.67	159.69
Less : Accumulated Depreciation	49.59	43.10	36.29	29.22	22.15
Net Block	136.51	145.57	152.38	159.45	137.54
Sub-total (A)	296.47	166.60	173.41	201.58	159.75
Current Investments					
Others					
Non-traded, Unquoted					
-HDFC Cash Management fund - Savings Plan - Growth (March 2013: 5504 units,March 2012: 5504 units) (Face Value ₹ 10/- per unit)	-	-	-	0.12	0.12
- HDFC Cash Management Fund - Liquid Premium Plan - Growth (March 31, 2012 : 37,24,551 Units) (Face Value ₹ 10/- per unit)	-	-	-	-	80.00
Sub-total (B)	-	-	-	0.12	80.12
Total (A+B)	**296.47**	**166.60**	**173.41**	**201.70**	**239.87**

Note:

1. The Company had made investments in M/s Nahar Seth & Jogani Associates, Partnership firm. On February 21, 2014, Nahar Seth Jogani Developers P. Ltd. was incorporated under Part IX of the Companies Act 1956 and assets and liabilities of said Partnership Firm were taken over by the newly incorporated company. Consequent to the transaction, the Company has made an investment of ₹ 0.9 million in equity shares of Nahar Seth Jogani Developers P. Ltd. and advances of ₹ 82.67 million given to the partnership firm were transferred to the new company as Rent Deposit against a premises.

*The amount is below the rounding off norms adopted by the company as at March 31,2016.

Annexure XI-Restated Standalone Statement of Trade Receivables of Avenue Supermarts Limited

₹ in million

Particulars	As at				
	March 31, 2016	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**	**March 31, 2012**
Trade Receivable					
Trade receivables (Debts outstanding for a period more than six months from the date they were due for payment)					
Secured considered good	-	-	-	-	-
Unsecured considered good	-	-	-	-	-
Unsecured considered doubtful	-	-	-	-	-
Less : Provision for Doubtful Debts	-	-	-	-	-
	-	-	-	-	-
Total (A)	-	-	-	-	-
Trade receivables (Debts outstanding for a period less than six months from the date they were due for payment)					
Secured considered good	-	-	-	-	-
Unsecured considered good	83.77	70.73	95.02	131.15	44.80
Unsecured considered doubtful	-	-	-	-	-
Less : Provision for Doubtful Debts	-	-	-	-	-
	83.77	70.73	95.02	131.15	44.80
Total (B)	83.77	70.73	95.02	131.15	44.80
Total current trade receivables	**83.77**	**70.73**	**95.02**	**131.15**	**44.80**

Note:

1. There are no amounts recoverable from Directors or Promoters of the Company.
2. The list of persons/entity classified as "Promoters and promoter group Company" has been provided by the management and relied upon by the auditors.

Annexure XII-Restated Standalone Statement of Loans & Advances of Avenue Supermarts Limited

₹ in million

Particulars	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Long-term loans and advances: [A]					
Unsecured and Considered good					
Rent Deposits (Refer Annexure V,Note-22)	183.97	136.54	125.24	115.90	82.67
Other Deposits	100.63	68.41	52.78	43.36	59.98
Capital Advances	843.29	642.05	304.30	427.89	275.52
Advance Taxes (Net of provisions ₹ 2213.40 million for March 31,2016, ₹ 1584.78 million for March 31,2015, ₹ 822.07 million for March 31,2014, ₹ 427.05 million for March 31,2013, and ₹ 427.05 million for March 31,2012)	17.32	26.52	17.67	14.33	14.19
Cash held in trust by Company(Refer Annecure V, Note-26)	-	-	-	-	1.99
Total (A)	**1,145.21**	**873.52**	**499.99**	**601.48**	**434.35**
Short-term loans and advances: [B]					
Unsecured and Considered good					
Advances Recoverable in Cash or in Kind or in value to be received	381.70	262.82	302.41	232.10	118.61
Advances to Subsidiary Companies (Refer Annexure V,Note-22)	145.26	188.03	35.80	198.10	118.27
Prepaid Expenses	51.92	27.81	40.42	11.71	5.80
Balance with Government Authorities	18.03	14.37	11.26	1.06	-
Advances to Suppliers	259.31	167.98	96.77	44.16	53.52
Loans and Advances to Staff	9.34	8.20	4.21	1.03	0.89
Total (B)	**865.56**	**669.21**	**490.87**	**488.16**	**297.09**
Total (A+B)	**2,010.77**	**1,542.73**	**990.86**	**1,089.64**	**731.44**
Total loans and advances to Related Parties:					
Advances / Deposits given to firm / company in which Directors (Promoters) are Partners / Directors	83.69	83.19	82.67	82.67	82.67
Loans / Deposits to other related parties	145.26	188.03	35.80	198.10	118.27
Total	**228.95**	**271.22**	**118.47**	**280.77**	**200.94**

Notes :

1. There are no amounts recoverable from Directors or Promoters or entity related to Directors or Promoters of the company except as disclosed above.
2. The list of persons/entity classified as "Promoters and promoter group Company" has been provided by the management and relied upon by the auditors.

Annexure XIII-Restated Standalone Statement of Other Income of Avenue Supermarts Limited

₹ in million

Particulars	Nature (Recurring/ Non-recurring)	For the year ended				
		March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Other Income:						
Interest	Recurring	25.63	29.36	38.10	22.50	20.24
Rent and Amenities Service Income	Recurring	142.99	138.82	131.01	127.89	117.64
Dividend Income on Current Investments	Recurring	-	-	-	-	0.26
Profit on Sale of Current Investments	Recurring	25.18	34.29	9.71	7.99	8.76
Provisions no longer required written back	Recurring	1.83	2.67	4.26	1.79	3.78
Exchange Gain / (Loss) (Net)	Recurring	0.48	0.31	-	0.15	0.93
Miscellaneous Income	Recurring	4.87	3.29	4.08	3.09	3.36
Total		**200.98**	**208.74**	**187.16**	**163.41**	**154.97**
Add/(Less) Restatement adjustments						
Provisions no longer required written back	Refer Annexure VI - A (ii) (b)	(1.83)	(1.15)	(1.27)	2.15	(1.96)
Total Restatement Adjustments		**(1.83)**	**(1.15)**	**(1.27)**	**2.15**	**(1.96)**
Other income net of restatement adjustments		**199.15**	**207.59**	**185.89**	**165.56**	**153.01**

Note :

1. The classification of income into recurring and non-recurring is based on the current operations and business activities of the Company.
2. All items of Other Income are from normal business activities.

Annexure XIV-Restated Standalone Statement of Accounting Ratios of Avenue Supermarts Limited

Sr. No.	Particulars	For the year ended				
		March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
1	Restated Profit / (Loss) after Tax (₹ in million)	3,189.17	2,106.91	1,595.96	925.82	594.28
2	Net Profit / (Loss) available to Equity Shareholders (₹ in million)	3,189.17	2,106.91	1,595.96	925.82	594.28
3	Weighted average number of Equity Shares outstanding during the year for Basic EPS	561,542,680	547,077,040	545,051,229	538,110,625	506,001,722
4	Weighted average number of Equity Shares outstanding during the year for Diluted EPS	561,542,680	547,077,040	546,187,803	538,110,625	506,001,722
5	Number of Equity Shares outstanding at the end of the year	561,542,680	561,542,680	546,752,880	544,058,845	533,539,300
6	Net Worth for Equity Shareholders (₹ in million)	15,118.58	11,929.41	9,502.95	7,860.35	6,794.58
7	Accounting Ratios:					
	Basic Earnings / (Loss) per Share (₹) (2)/(3)	5.68	3.85	2.93	1.72	1.17
	Diluted Earnings / (Loss) per Share (₹) (2)/(4) (Refer Annexure V, Note 31)	5.68	3.85	2.92	1.72	1.17
	Return on Net Worth for Equity Shareholders(2)/(6)	21.09%	17.66%	16.79%	11.78%	8.75%
	Net Asset Value Per Share (₹) (6)/(5)	26.92	21.24	17.38	14.45	12.73

Note:

1.Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

2 Net worth for ratios mentioned in Sr. No. 6 is = Equity share capital + Reserves and surplus (including Securities Premium, Share Option Outstanding Account , Debenture Redemption Reserve and Surplus/ (Deficit))

3.The above ratios have been computed on the basis of the Restated Standalone Financial Information- Annexure I & Annexure II.

Annexure XV-Restated Standalone Statement of Capitalisation of Avenue Supermarts Limited

₹ in million

Particulars	Pre-Issue as at March 31, 2016
Debt:	
Long term borrowings	9,084.69
Short term borrowings	1,134.91
Current portion of Secured long term borrowings, included in Other Current Liabilities	1,553.07
Total debt (A)	**11,772.67**
Shareholders Funds:	
Equity Share Capital	5,615.43
Reserves and Surplus	9,503.15
Total Shareholders Funds (B)	**15,118.58**
Total Debt/Equity Ratio (A/B)	**0.78**
Total Long Term Debt / Equity Ratio (Long term borrowigs/Equity Share Capital & Reserves and Surplus)	**0.60**

Notes:

i) The above has been computed on the basis of the Restated Standalone Financial Information - Annexure I & Annexure II.

ii) Short term borrowings represent working capital loans, Commercial paper and Short term loans.

iii) The issue price and number of shares are being finalised and as such the post- capitalisation statement cannot be presented.

Annexure XVI-Restated Standalone Statement of Tax Shelter of Avenue Supermarts Limited

₹ in million

S. No.	Particulars	As at March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
A	Profit/ (Loss) before taxation and adjustments	4,887.77	3,214.94	2,423.55	1,389.57	868.86
B	Tax at applicable Rates	34.61%	33.99%	33.99%	32.45%	32.45%
C	Tax thereon at the above rate	**1,691.66**	**1,092.76**	**823.76**	**450.92**	**281.95**
	Adjustments:					
D	**Permanent Differences**					
	Net Disallowances/ (Allowances) under the Income Tax Act	57.71	18.83	3.75	4.59	2.06
	Deduction u/s 80 G of the Income Tax Act	(20.36)	(7.50)	(2.40)	-	-
	Profit / Loss on Sale of Assets	7.81	14.37	5.54	4.88	5.56
	Others	(37.92)	(37.00)	(35.72)	(34.54)	(30.20)
	Total Permanent Differences	**7.24**	**(11.30)**	**(28.83)**	**(25.07)**	**(22.58)**
E	**Timing Differences**					
	Difference in depreciation as per Income Tax Act and Financial Statements	(254.10)	(104.74)	(156.05)	(119.37)	(83.90)
	Deduction u/s 43B of the Income tax act	-	-	-	(0.01)	-
	Others	9.93	7.10	5.35	(27.82)	15.94
	Total Timing Differences	**(244.17)**	**(97.64)**	**(150.70)**	**(147.20)**	**(67.96)**
F	**Net Adjustments (D+E)**	**(236.93)**	**(108.94)**	**(179.53)**	**(172.27)**	**(90.54)**
G	**Tax Expense/ (savings) thereon (FxB)**	**(82.00)**	**(37.03)**	**(61.02)**	**(55.90)**	**(29.38)**
H	Tax Liability (C+G)	**1,609.66**	**1,055.73**	**762.74**	**395.02**	**252.57**
I	**Minimum Alternate Tax under Sec. 115 JB of Income Tax Act including other taxes**					
	Tax Rate as per Minimum Alternate Tax under Sec. 115 JB of Income Tax Act	21.34%	20.96%	20.96%	19.06%	18.54%
	Tax Liability as per Minimum Alternate Tax under Sec. 115 JB of Income Tax Act including other taxes	1,043.05	673.85	507.98	264.85	161.09
J	Net Tax Liability (Higher of H and I)	1,609.66	1,055.73	762.74	395.02	252.57
K	**Total Current Tax**	**1,609.66**	**1,055.73**	**762.74**	**395.02**	**252.57**
L	Impact of Material Adjustments for Restatement in corresponding years	6.82	(6.99)	(0.51)	2.47	3.38
M	Current Tax Liability on Material Adjustments for Restatement in corresponding years	-	-	-	-	-
N	Taxable Profit before Taxation and after adjustments as Restated (A+F+L, restricted to zero)	4,657.66	3,099.01	2,243.51	1,219.77	781.70
O	Total Tax Liability after Tax impact of adjustments	1,609.66	1,055.73	762.74	395.02	252.57

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

The financial statements have been prepared in accordance with Indian GAAP, which differs in certain material respects from IND AS.

The following table summarizes certain of the areas in which differences between Indian GAAP and IND AS could be significant to our financial position and results of operations. This summary should not be taken as an exhaustive list of all the differences between Indian GAAP and IND AS. No attempt has been made to identify all recognition and measurement, disclosures, presentation or classification differences that would affect the manner in which transactions or events are presented in our consolidated financial statements (or notes thereto). Certain principal differences between Indian GAAP and IND AS that may have a material effect on our consolidated financial statements are summarized below. Our management has not quantified all of the effects of the differences discussed below. Accordingly, no assurance can be provided to investors that our consolidated financial statements would not be materially different if prepared in accordance with IND AS.

Potential investors should consult their own professional advisors for an understanding of the differences between Indian GAAP and IND AS and how those differences might affect the financial information disclosed in this Draft Red Herring Prospectus.

S. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
1.	**Ind AS 1**	Presentation of Financial Statements	**Other Comprehensive Income**: There is no concept of "other comprehensive income" under Indian GAAP, which is required under Ind AS. The items that would form part of Other Comprehensive Income under Ind AS are included in the income statement under Indian GAAP.	**Other Comprehensive Income**: Ind AS-1 requires the presentation of a statement of other comprehensive income as part of the financial statements. This statement presents all the items of income and expense (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other Ind ASs.
			Statement of Change in Equity: Indian GAAP does not require a statement of change in equity. However, information relating to the appropriation of profits and movement in capital and reserves is presented in the line items 'share capital' and 'reserves and surplus' in the balance sheet.	**Statement of Change in Equity:** Ind AS-1 requires the presentation of all transactions with equity holders in their capacity as equity holders to be presented in the statement of changes in equity (the "SOCIE"). The SOCIE is considered to be an integral part of financial statements.
			Minority Interest:	**Minority Interest:** Under Ind AS-1, minority interest (referred to as non-

S. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
			Under Indian GAAP, minority interest is presented separately from liabilities and equity.	controlling interest) is presented as a component of equity.
			Other disclosures: There are no specific disclosure requirements under Indian GAAP for: (a) Critical judgments made by the management in applying accounting policies; (b) Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and (c) Information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital.	**Other disclosures:** Ind AS-1 requires disclosure of: (a) Critical judgments made by the management in applying accounting policies; (b) Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and (c) Information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital.
			Dividends: Under Indian GAAP, proposed dividend is shown as appropriation of profit in profit and loss account balance forming part of reserves.	**Dividends:** As per Ind AS-1 proposed dividend is not to be recognised. The presentation of such disclosures in profit and loss account balance is not permitted until approved by the shareholders at an annual general meeting.
2.	Ind AS 17	Leases	**Operating lease rentals:** Under Indian GAAP, lease payments under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term, unless another systematic basis is more representative of	Under Ind AS 17, lease payments under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term unless: a) another systematic basis is more representative of the time pattern of the user's benefit; or b) The payments to the lessor are structured to increase in line with expected general inflation for cost increases.

S. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
			the time pattern of the users benefit.	
			Fair valuation of rent deposits: There is no specific accounting treatment specified under Indian GAAP for the accounting of deposits provided by the lessee under a lease. Deposits are generally accounted as assets at historical cost.	Under Ind AS, in case of an operating lease, the difference between the nominal value and the fair value of the deposit under the lease is considered as additional rent payable. This is expensed on a straight line basis over the term of the lease. The lessee also recognizes interest income using internal rate of return through its profit and loss over the life of the deposit.
			Under Indian GAAP, leasehold land forms part of fixed assets and is excluded from the accounting standard on leases.	Under Ind AS, leasehold land is covered under accounting standard for leases (Ind AS 17) and a distinction is made in the treatment of operating leases and finance leases.
3.	Ind AS 109	Financial assets	Under Indian GAAP, financial assets are initially measured at transaction price.	Under Ind AS, financial assets are required to be initially measured at their fair values. For example, loans given to employees at off-market interest rate should be measured at fair value instead of transaction price.
			Under Indian GAAP, financial assets are classified on the basis of their nature.	Under Ind AS, based on the classification of a financial asset, it is required to be measured at its amortised cost, fair value through other comprehensive income, or fair value through profit or loss.
			Under Indian GAAP, subsequent measurements are computed at the cost less repayments, if any	Under Ind AS, at each reporting date, investment in mutual funds is required to be computed at fair value and deposits and loans to employees are required to be computed at amortised cost.
4.	Ind AS 109	Financial liability	Under Indian GAAP, financial liabilities are initially measured at their transaction price.	Under Ind AS, debentures, term loan from banks, other short term borrowings and loan from directors are required to be initially measured at transaction price less transaction cost.

S. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
			Under Indian GAAP, financial liabilities are subsequently measured at principal less repayments, if any.	Under Ind AS, all borrowings and long term rent deposits received are required to be measured at amortised cost.
5.	Ind AS 109	Intra-group financial guarantees	Under Indian GAAP, the financial guarantee contracts (i.e. guarantees given on behalf of subsidiary, associate or joint venture companies) are disclosed by way of contingent liabilities in the standalone financial statements of the parent company. Guarantees given on behalf of associate and joint venture companies are disclosed by way of contingent liabilities in the consolidated financial statements of the parent company.	Ind AS 109 requires all financial guarantee contracts to be recognised at fair value at inception. The fair value of the contract will be equal to the amount of premium receivable (or net present value of the premium if the same is paid over the period) determined on an arm's length basis. Thereafter, the same is required to be carried at the amount initially recognised less the cumulative amortisation of income over the period of the contract.
6.	Ind AS 19	Employee benefits	Under Indian GAAP, actuarial gains or losses are part of the income statement.	Under Ind AS, actuarial gains or losses are required to be a part of other comprehensive income.
7.	Ind AS 12	Deferred taxes P&L vs. Balance Sheet Approach:	Under Indian GAAP, no deferred tax impact is required to be created from the elimination of inter-group transactions.	Under Ind AS, deferred tax impact is required to be created on elimination of inter-group transactions
8.	Ind AS 12	Temporary difference in assets/liabilities	Deferred tax liability / asset which is created for premia on forward contracts is accounted in the profit and loss statement. This is required since the Income Computation & Disclosure Standards (ICDS) has been effective April 1, 2015, under which forex gains/losses are taxed/deducted on settlement of forward contracts.	Deferred tax liability/asset which is created for premia on forward contracts is accounted in the profit and loss statement will no longer be created. Deferred tax asset/liability on account of provision for doubtful debts and fair valuation of current investments will change considering the ECL model and fair value of investments.
9.	Ind AS 12	Deferred tax on unrealized intragroup profits	Deferred tax is not recognized. Deferred tax expense is an aggregation from separate financial statements of each group entity and no adjustment is made on consolidation.	Deferred tax assets/Deferred Tax Liabilities will need to be created on unrealized intragroup profit. Deferred tax on unrealized intra group profits is recognized at the buyer's rate.
10.	Ind AS 16	Property, plant and equipment	Under Indian GAAP, the asset is capitalized and	Under Ind AS, componentization is required to be

S. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
			amortised over its useful life without any separate capitalization of any of its parts.	done and any major component with a different useful life needs to be capitalized and depreciated separately.
			Under Indian GAAP, the residual value is assumed at 5% of the value of the asset.	Under Ind AS, the residual value needs to be estimated and reduced from the cost of the asset for the purpose of ascertaining depreciation instead of the current practice of assuming it to be 5%.
11.	Ind AS 108	Segments	Under Indian GAAP, segments are determined on the basis of geography and business.	Under Ind AS, segments are required to be determined based on the Chief Operating Decision Maker's ('CODM') regular review of the financial information for allocating resources and assessing performance.
12.	Ind AS 18	Revenue	Under Indian GAAP, display income is part of other operating income.	Under Ind AS, display income or slotting fees received is required to be recognised as a reduction from the cost of goods sold.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Consolidated Financial Information which is included in this Draft Red Herring Prospectus.The following discussion and analysis of our financial condition and results of operations is based on our Restated Consolidated Financial Information for the years ended March 31, 2016, March 31, 2015 and March 31, 2014, including the related notes and reports, included in this Draft Red Herring Prospectus is prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our restated financial statements have been derived from our audited statutory financial statements. Accordingly, the degree to which our Restated Financial Information will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India. Further, with effect from April 1, 2016, we are required to prepare our statutory financial statements in accordance with Ind AS. Given that Ind AS is different in many respects from Indian GAAP under which our statutory financial statements are currently prepared, our statutory financial statements for the period commencing from April 1, 2016 may not be comparable to our historical statutory financial statements. See also "Risk Factors – Our Restated Financial Information for the preceding five years, on a standalone as well as consolidated basis, included in this Draft Red Herring Prospectus have been prepared in accordance with the Companies Act and the SEBI Regulations, which vary in certain respects from other accounting principles, including Ind AS. These regulations may also vary with ICDS, which may be material to an investor's assessment of our results of operations and financial condition".

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "Risk Factors" and "Forward Looking Statements" beginning on pages 13 and 12, respectively, and elsewhere in this Draft Red Herring Prospectus.

Our Fiscal ends on March 31 of each year. Accordingly, all references to a particular Fiscal are to the 12 months ended March 31 of that year.

Overview

We are an emerging national supermarket chain, with a focus on value-retailing. According to Technopak, in Fiscal 2016 our Company was one of the largest and the most profitable F&G retailer in India. We offer a wide range of products with a focus on the Foods, Non-Foods (FMCG) and General Merchandise & Apparel product categories.

We opened our first store in Mumbai, Maharashtra in 2002. As of September 15, 2016, we had 112 stores with Retail Business Area of 3.40 million sq.ft, located across 41 cities in Maharashtra (58), Gujarat (26), Telangana (13), Karnataka (7), Andhra Pradesh (3), Madhya Pradesh (3), Chhattisgarh (1) and NCR (1). At the end of Fiscals 2014, 2015 and 2016, we had 75, 89 and 110 stores with Retail Business Area of 2.14 million sq. ft., 2.66 million sq. ft. and 3.33 million sq. ft., respectively. We plan to deepen our store network in southern and western India and gradually expand our network in other parts of India pursuant to our cluster-focused expansion strategy.

For Fiscal 2016, Maharastra contributed a majority of our Revenue from Sales (62.57%) followed by Gujarat (18.83%), Telangana (10.15%), Karnataka (6.14%) Andhra Pradesh (1.03%), Madhya Pradesh (0.85%) and Chattisgarh (0.43%).

We operate and manage all our stores. We operate predominantly on an ownership model (including long-term lease arrangements, where lease period is more than 30 years and the building is owned by us) rather than on a rental model. We open new stores using a cluster approach on the basis of adjacencies and focusing on an efficient supply chain, targeting densely-populated residential areas with a majority of lower-middle, middle and aspiring upper-middle class consumers.

We operate distribution centres and packing centres which form the backbone of our supply chain to support our retail store network. As of September 15, 2016, we had 21 distribution centres and six packing centres in Maharashtra, Gujarat, Telangana and Karnataka.

Our business approach is to retail quality goods at competitive prices. The majority of products stocked by us are everyday products forming part of basic rather than discretionary spending. We endeavor to minimise our operating costs in several ways such as owning underlying real estate or entering into long-term lease arrangements for a majority of our stores in order to minimise rental costs, procuring goods directly from vendors and manufacturers, employing an efficient logistics and distribution system and maintaining a strong focus on product assortment to minimise inventory build-up, supported by efficient store operations.

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

We classify our products under the following categories:

- *Foods*: This category includes staples, groceries, fruits & vegetables, snacks & processed foods, dairy & frozen products, beverages and confectionery. In Fiscals 2014, 2015 and 2016, this category constituted 53.28%, 52.84% and 53.06% , respectively of our Revenue from Sales.

- *Non-Foods (FMCG)*: This category includes home care products, personal care and toileteries and other over the counter products. In Fiscals 2014, 2015 and 2016, this category constituted 21.49%, 21.22% and 20.58%, respectively of our Revenue from Sales.

- *General Merchandise & Apparel*: This category includes bed & bath products, home appliances, furniture, crockery, utensils, plastic goods, garments and footwear. In Fiscals 2014, 2015 and 2016, this category constituted 25.23%, 25.94% and 26.36%, respectively of our Revenue from Sales.

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 daily produce updated information to support our business. 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.

We have witnessed steady growth in our total number of bill cuts. Our total number of bill cuts, on a standalone basis, was 53.40 million, 67.17 million and 84.68 million, respectively for Fiscals 2014, 2015 and 2016. During the same period, our average Revenue from Sales per store was ₹623.41 million, ₹721.87 million and ₹778.68 million and our Revenue from Sales per Retail Business Area sq. ft. was ₹23,419, ₹26,388 and ₹28,136, respectively. We have registered LFL growth of 26.06%, 22.43% and 21.49% for Fiscals 2014, 2015 and 2016, respectively. Like for Like (LFL) growth is a measure of growth in sales, adjusted for new or divested business. LFL growth means the growth in revenue from sales of same stores which have been operational for atleast 24 months at the end of a Fiscal.

Our total revenue grew at a Compounded Annual Growth Rate (CAGR) of 35.28% from ₹47,023.25 million in Fiscal 2014 to ₹86,061.05 million in Fiscal 2016. Our net profit after tax, as restated, grew at a CAGR of 41.08% from ₹1,613.72 million in Fiscal 2014 to ₹3,212.07 million in Fiscal 2016.

Significant Factors Affecting Our Results of Operations

The following is a discussion of certain factors that have had, and continue to have, a significant effect on our financial results:

Availability of Commercial Real Estate

Our ability to increase our sales and our profitability is directly affected by the total number of stores we operate. Most of our stores operate from premises which we either own or have acquired on a long-term leasehold basis.

Our ability to continue to secure densely populated residential neighbourhood locations is a key factor in our success. As we expand our store network, we will need to secure more locations that meet our business needs whether on an ownership, long-term leasehold or rental basis, as we determine on a case-by-case basis. We have no control over future increases in real estate prices. If real estate prices increase, we will require greater capital to buy land or incur higher operational costs due to higher leasing or rental costs.

If there is limited availability of real estate in the future, competition for such real estate may increase which may result in a further increase in prices. This may lead to delays and cost overruns in opening new stores.

Expansion of our Store Network

Since establishing our Company in 2000, we have expanded our network to a total of 112 stores as of September 15, 2016. We expanded our store network from 62 to 75 stores in Fiscal 2014, 89 stores in Fiscal 2015 and 110 stores in Fiscal 2016. Our strategy is to continue expanding our network by opening stores in untapped markets. Our total revenue increased at a Compounded Annual Growth Rate (CAGR) of 35.28% between Fiscal 2014 and 2016 and an important factor in this revenue growth has been the continued expansion of our store network.

Furthermore, our revenue growth can vary according to the level of maturity of our stores. The revenue a store generates depends on its stage of operation. Generally, revenue generated by a new store is lower at its initial stage of operation and tends to increase after the first few years of operation as the store gains customer loyalty and market recognition. Following this initial stage, growth in the revenue of a store will also depend on various factors such as the level of customer traffic, quality of store management, extent of redecoration and renovation, and rate of growth in the local economy.

Product Assortment

We offer an extensive range of products in a number of categories at our stores including Foods, Non-Foods (FMCG) and General Merchandise & Apparel. We strive to provide products at value for money for our customers and to respond to the needs and tastes of our customers by optimising the range of products we offer in order to attract and maintain a large base of customers. We focus on providing our customers with basic, everyday products rather than luxury products or those which require discretionary spending. Our success in part depends upon our continued ability to understand evolving customer trends and accordingly achieving the correct product assortment. We will continue to manage the changing requirements of our customers by changing our product assortment, as necessary. Changes in the assortment of products we sell can impact our sales and operating profit and our profit margins also may vary across different product categories and different product sub-categories within each category.

Sales Volume

Our sales volume is an important factor driving our results of operations. Our total number of bill cuts, on a standalone basis, was 53.40 million, 67.17 million and 84.68 million for Fiscal 2014, 2015 and 2016, respectively. This increase in total number of bills led to a corresponding increase in our revenue from sales. Our average Revenue from Sales per store was ₹623.41 million, ₹721.87 million and ₹778.68 million for Fiscal 2014, 2015 and 2016, respectively.

Increased sales volume favourably affects our results of operations as it enables us to benefit from economies of scale in procurement and improves our operating margin through our ability to leverage our fixed cost base. We plan to continue to increase our sales volume by increasing customer traffic and average bill size at our stores by (i) providing our customers with a one-stop shopping experience; (ii) offering a comprehensive range of products at value for money; (iii) efficient supply chain management; and (iv) strategically locating our stores in areas with a high residential population and customer traffic level.

Operational Expenses and Costs

Most of our stores are operated from premises we either own or have acquired on a long-term leasehold basis. For those stores where we pay rentals, we will continue to be affected by any future rental increases. Furthermore, when our current leases expire we will need to re-negotiate these leases with the relevant lessors, who may seek to impose higher costs or more onerous conditions on us.

Our store operating costs include, among others, human resource costs, utilities, and maintenance. These costs and expenses can fluctuate and also differ from store to store depending on a variety of factors. For example, power tariffs vary from state to state in India. Furthermore, regulations affecting manpower costs such as rules relating to minimum wages, may also vary from state to state. Inflation increases our operating costs. Fixed operating costs increase as we open new stores.

In general, we expect our operational expenses as a percentage of sales to be higher for new stores than for mature stores. However, in absolute terms, our older stores tend to have higher operational costs as these costs also include repairs which are not capitalised. In addition, we carry out periodic renovations of our stores, which we believe are important in maintaining and enhancing the image of our stores and in attracting customers. During renovations, we will incur expenses and experience temporary disruptions to our normal operations which may affect our revenues.

Competition

The Indian retail market has become increasingly competitive in recent years and this may increase in the future. Currently, our key direct competitors include other organised brick and mortar retailers such as Big Bazaar, Reliance Retail, Spencer's, HyperCity, Star Bazaar and unorganised retailers such as local departmental stores and *kirana* shops. Although e-tailing is not currently a major participant in the multi-brand retail industry, especially in food and food products in India, competition from e-tailing may increase in the future. For more details, see "*Business - Competition*" on page 129.

Increased competition may lead to a fall in prices and a consequent fall in our margins. Each of the aforementioned organised retailers has an established presence in the markets in which we operate and they may continue to open additional stores in the same cities where we have opened or intend to open our stores in the future. This may require us to change our strategy, delay expansion plans or be more selective in opening of new stores.

Transition from Indian GAAP to Ind AS

The Ministry of Corporate Affairs, Government of India, has through a notification dated February 16, 2015, set out the Ind AS and the timelines for their implementation. Accordingly, our Company is required to adopt and prepare its statutory financial statements in accordance with Ind AS for periods beginning on or after April 1, 2016. Given that Ind AS differs in certain material aspects from Indian GAAP under which our statutory financial statements are currently prepared, our statutory financial statements for the periods commencing on or after April 1, 2016 may not be fully comparable to our statutory historical financial statements.

We have not attempted to quantify the impact of Ind AS on the financial data included in this Draft Red Herring Prospectus, nor have we provided a reconciliation of the statutory financial statements to those under Ind AS. While the Company has conducted a preliminary analysis in relation to the transition to Ind AS, the full impact on the Company's statutory financial statements of such transition to Ind AS is currently not clear. For more details, see "*Summary of Significant Differences between Indian GAAP and Ind AS*" beginning on page 162 and "*Risk Factor – Our Restated Financial Information for the preceding five years, on a standalone as well as consolidated basis, included in this Draft Red Herring Prospectus have been prepared in accordance with the Companies Act and the SEBI Regulations, which vary in certain respects from other accounting principles, including Ind AS. These regulations may also vary with ICDS, which may be material to an investor's assessment of our results of operations and financial condition*" on page 29.

Taxation

The Government of India has proposed a comprehensive national GST regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. We have not conducted an impact analysis of GST on our business and results of operations and we are unable to provide any assurance as to the tax regime following implementation of GST. The implementation of this new structure may be affected by any disagreement between the Central and State Governments. The GST regime may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

Significant Accounting Policies

I. Basis of Preparation

The Restated Consolidated Statement of Assets and Liabilities of the Group as at March 31, 2016, 2015, 2014, 2013 and 2012 and the Restated Consolidated Statement of Profit and Loss and the Restated Consolidated Statement of Cash flows, for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 (together referred as 'Restated Consolidated Financial Information') and Other Consolidated Financial Information have been extracted by the management from the Audited Consolidated Financial Statements of the Group for the respective years ("Audited Consolidated Financial Statements").

The Audited Consolidated Financial Statements were prepared to comply in all material respect with the generally applicable accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, the Audited Consolidated Financial Statements for the years ended March 31, 2016 and March 31, 2015 had been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

The Audited Consolidated Financial Statements of the Group for the years ended March 31, 2014, March 31, 2013 and March 31, 2012 had been prepared to comply in all material respect with the generally applicable accounting principles in India under the historical cost convention on accrual basis and comply in all material aspects with the accounting standards issued by The Institute of Chartered Accountants of India, in particular Accounting Standard 21 - 'Consolidated Financial Statements', to the extent considered relevant by it for the purpose for which the Audited Consolidated Financial Statements have been prepared. These Audited Consolidated Financial Statements are not the statutory financial statements of the Group.

The Restated Consolidated Financial Information and Other Consolidated Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the Company with BSE Limited and National Stock Exchange of India Limited (together 'the stock exchanges'), in accordance with the requirements of:

a) Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013; and
b) (b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India (""SEBI"") on August 26, 2009, as amended from time to time read along with the SEBI circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (together referred to as the "SEBI Regulations").

These Restated Consolidated Financial Information and other financial information have been extracted by the Management from the Audited Consolidated Financial Statements and :

- there were no audit qualifications on these financial statements,
- there were no changes in accounting policies during the years of these financial statements,
- material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted,

- adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the Audited Consolidated Financial Statements of the Group as at and for the year ended March 31, 2016 and the requirements of the SEBI Regulations, and
- the resultant tax impact on above adjustments has been appropriately adjusted in deferred tax in the respective years and the impact of current tax in respect of short/excess income tax arising out of assessments, appeals, revised income tax returns, etc., has been adjusted in the current tax of respective years to which they relate.

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

These Restated Consolidated Financial Information and Other Consolidated Financial Information were approved by the IPO Committee of the Board of Directors of the Company on September 29, 2016.

Principles of consolidation:

Subsidiaries:

i) In respect of Subsidiary companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra group transaction and resulting unrealised profits / losses as per Accounting Standard (AS 21) "Consolidated Financial Statements". The results of subsidiaries are included from the date of acquisition of a controlling interest.

ii) The excess of cost to the Group of its investments in subsidiary companies over its share of equity and reserves of its subsidiary companies at the dates, on which investments are made, is recognised in the financial statements as Goodwill. The excess of Group's share of equity and reserves of its subsidiary companies over the cost of acquisition is treated as Capital Reserve. As at each Balance Sheet date an assessment is done as to whether there is any indication that goodwill on consolidation may be impaired. If any such indication exists, an estimate of the recoverable amount is made. The goodwill on consolidation is impaired when the carrying value exceeds the recoverable amount.

iii) Minority interest in the net assets of consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

iv) Minority interest in the subsidiaries consists of:

a) amount of equity attributable to minorities at the date on which investment in a subsidiary is made and
b) minority's share of movements in equity since the day the parent subsidiary relationship comes into existence."

Associates:

Investments in associate companies have been accounted for by using the equity method of accounting whereby the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the Company's share of net assets of the associate companies.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

II. Use of estimates

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.

III. Fixed Assets

Tangible Assets:

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Losses arising from the retirement of and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

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 straight line basis over their estimated useful lives

Gains or losses arising from the retirement or disposal proceeds and the carrying amount of the asset are recognized as income or expense in the Statement of Profit and Loss.

IV. Method of Depreciation

i) Effective 1st April 2014, the Company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Companies Act 2013, as against the earlier practice of depreciating at the rates prescribed in Schedule XIV to the Companies Act 1956.

ii) Depreciation on additions to fixed assets during the year is provided on pro rata basis from the date of such addition.

iii) Cost of Software is amortized over a period of five years.

V. Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments and are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

Investment Property: Investments in building 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 carried at cost less accumulated depreciation.

VI. 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.

VII. Revenue Recognition

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Retail sales and revenues are recognized 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. Sales are net of discounts.

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.

VIII. Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currency and outstanding at the Balance Sheet date are translated at the exchange rates prevailing at the close of the year.

Exchange differences are recognized as income or expense in the period in which they arise.

IX. Taxation

Income-tax expense comprises current tax and deferred tax. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year and in accordance with income tax law. . The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure realisation.

X. Impairment of Assets

Impairment of assets is ascertained at each balance sheet date, if there are any indications of impairment based on internal / external factors. An impairment loss is recognized in the Profit and Loss Account, whenever the carrying amount of an asset exceeds its recoverable amount.

XI. Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to revenue.

XII. Employee Benefits

Defined Contribution Plans such as Provident Fund etc., are charged to the statement of Profit and Loss Account as incurred.

Defined Benefit Plans - The present value of the obligation under such plan is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Profit and Loss Account. . In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis. Termination benefits are recognised as and when incurred.

XIII. Provisions, Contingent liabilities and Contingent Assets

i) Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

ii) Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

iii) Contingent Assets : Contingent Assets are not recongnised or disclosed in the financial statements.

XIV. Employee Share based Payments

Equity settled stock options granted under "Employee Stock Option Plan" are accounted as per the accounting treatment prescribed by Guidance Note on Employee Share – based payments issued by the Institute of Chartered Accountants of India. The intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to employee stock option outstanding account. The Deferred employee compensation is charged to the statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion and credit to deferred employee compensation expenses equal to the unamortised portion

XV. 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 or other systematic basis more representative of the time pattern of the user's benefits.

XVI. Earnings per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share are the net profit for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

XVII. Cash and Cash Equivalents

In the Cash flow Statement, Cash and Cash equivalents includes cash in hand, demand deposits with banks with original maturities of three months or less.

Revenue and Expenditure

Our revenue and expenditure is reported in the following manner:

Revenue: Our revenue comprises of revenue from operations and other income.

Revenue from operations

Our revenue from operations comprises of revenue from sales of our own merchandise and consignment merchandise (excluding value added tax and cost of consignment merchandise) and other operating income.

Other income

Our other income comprises of interest earned, income from rent and amenities service, dividend income and profit on sale of current investments, provisions no longer required to be written back, net gain (or loss) on foreign exchange and miscellaneous income.

Expenses: Our expenses comprise of purchase of stock-in-trade, changes in inventory of stock-in-trade, employee benefits expense, other operational costs, finance costs, depreciation and amortisation and other expenses.

Cost of Goods Sold

Cost of goods sold is calculated as the sum of purchase of stock-in trade and changes in inventory of stock-in trade:

- *Purchase of stock-in-trade*

Our purchase of stock-in-trade comprises of purchases of stock made in a particular Fiscal.

- *Changes in inventory of stock-in-trade*

The change in inventory of stock-in-trade is calculated by reducing the closing stock at the end of a Fiscal from the opening stock at the beginning of a Fiscal.

Employee Benefits Expense

Our employee benefits expense comprises primarily of salaries and allowances, employee welfare expenses, ESOP expenses and contribution to provident and other funds.

Other Operational Costs

Our other operational costs comprise of contract labour charges, cleaning expenses, rent, electricity and fuel expenses and security expenses.

Finance costs

Our finance costs comprise of interest on term loans taken from banks, interest on non-convertible debenture, other interest payments and finance charges. Our interest payments are partially set-off by the capitalised portion.

Depreciation and Amortisation

Tangible and intangible assets and investment property are depreciated and amortised over periods corresponding to their estimated useful lives. See "*Significant Accounting Policies – Method of Depreciation*" above on page 172.

Other expenses

Our other expenses primarily include repairs and maintenance expenses, administrative expenses, selling and distribution expenses.

Results of operations

(In ₹ million)

Particulars	Fiscal 2016	% of total revenue	Fiscal 2015	% of total revenue	Fiscal 2014	% of total revenue
Revenue						
Revenue from Operations	85,881.19	99.79%	64,394.33	99.72%	46,864.88	99.66%
Other Income	179.86	0.21%	182.56	0.28%	158.37	0.34%
Total Revenue	**86,061.05**	**100.00%**	**64,576.89**	**100.00%**	**47,023.25**	**100.00%**
Expenses						
Purchase of stock-in-trade	74,398.53	86.45%	56,484.73	87.47%	40,865.32	86.90%
Changes in inventory of stock in trade	(1,320.79)	(1.53%)	(1,612.80)	(2.50%)	(1,021.04)	(2.17%)
Employee benefit expenses	1,486.06	1.73%	1,340.62	2.08%	873.37	1.86%
Other Operational Costs	3,086.17	3.59%	2,333.95	3.61%	1,810.60	3.85%
Finance Costs	908.24	1.06%	723.61	1.12%	556.76	1.18%
Depreciation and amortisation	984.29	1.14%	815.41	1.26%	570.13	1.21%
Other expenses	1,596.38	1.85%	1,257.91	1.95%	918.87	1.95%
Total Expenses	**81,138.88**	**94.28%**	**61,343.43**	**94.99%**	**44,574.01**	**94.79%**
Profit / (Loss) before taxation	**4,922.17**	**5.72%**	**3,233.46**	**5.01%**	**2,449.24**	**5.21%**
Tax Expenses						
Current Tax	1,620.90	1.88%	1,064.98	1.65%	770.85	1.64%
Deferred Tax charge/(benefit)	93.98	0.11%	44.22	0.07%	64.32	0.14%
Tax in respect of earlier years	1.32	0.00%	-	0.00%	(0.18)	0.00%
Total Tax Expenses	**1,716.20**	**1.99%**	**1,109.20**	**1.72%**	**834.99**	**1.78%**
Net Profit/(Loss) after taxation	**3,205.97**	**3.73%**	**2,124.26**	**3.29%**	**1,614.25**	**3.43%**
Net Profit / (Loss) Before Restatement Adjustments	**3,205.97**	**3.73%**	**2,124.26**	**3.29%**	**1,614.25**	**3.43%**
Material Restatement Adjustments	6.82	0.01%	(6.99)	(0.01%)	(0.72)	0.00%
Deferred Tax adjustments	0.46	0.00%	0.06	0.00%	0.19	0.00%
Net Profit/(Loss) before the adjustments on account of changes in accounting policies	3,213.25	3.73%	2,117.33	3.28%	1,613.72	3.43%
Adjustments on account of changes in accounting policies	-	0.00%	-	0.00%	-	0.00%
Net Profit/(Loss) before Minority Interest and Share in Net Loss of Associates	3,213.25	3.73%	2,117.33	3.28%	1,613.72	3.43%
Minority Interest	0.46	0.00%	0.44	0.00%	-	0.00%
Share in Net Loss of Associates	0.72	0.00%	-	0.00%	-	0.00%
Net Profit/(Loss) as Restated	**3,212.07**	**3.73%**	**2,116.89**	**3.28%**	**1,613.72**	**3.43%**

Discussion on the Results of Operations

Fiscal 2016 Compared to Fiscal 2015

Total Revenue

Our total revenue increased by 33.27% to ₹86,061.05 million in Fiscal 2016 from ₹64,576.89 million in Fiscal 2015, due to the factors described below:

Revenue from operations: Our revenue from operations increased by 33.37% to ₹85,881.19 million in Fiscal 2016 from ₹64,394.33 million in Fiscal 2015. This increase was primarily due to an increase in sales volume of existing stores and sales from newly opened stores.

Other income: Our other income decreased by 1.48% to ₹179.86 million in Fiscal 2016 from ₹182.56 million in Fiscal 2015. This decrease was primarily due to a decrease in our profit from sale of current investments and income from rent and services amenities. Our other income as a percentage of total revenue was 0.21% for Fiscal 2016 as compared to 0.28% for the Fiscal 2015.

Total Expenses

Our total expenses increased by 32.27% to ₹81,138.88 million in Fiscal 2016 from ₹61,343.43 million in Fiscal 2015, due to the factors described below:

Cost of goods sold: Cost of goods sold increased by 33.18% to ₹73,077.74 million in Fiscal 2016 from ₹54,871.93 million in Fiscal 2015.

a. *Purchase of Stock-in trade:* Our purchase of stock-in trade increased by 31.71% to ₹74,398.53 million in Fiscal 2016 from ₹56,484.73 million in Fiscal 2015. This increase was primarily due to an increase in our sales volume in existing stores and sales volume for new stores.

b. *Changes in Inventory of Stock-in-trade:* Our changes in inventory of stock-in trade changed by (18.11%) to ₹(1,320.79) million in Fiscal 2016 from ₹(1,612.80) million in Fiscal 2015. This was primarily due to higher level of closing stock at end of Fiscal 2016 compared to Fiscal 2015.

Employee benefits expense: Our employee benefits expense increased by 10.85% to ₹1,486.06 million in Fiscal 2016 from ₹1,340.62 million in Fiscal 2015. This increase was primarily due to an increase in headcount and an increase in salary allowances and contribution to provident fund. Our employee welfare expenses increased to ₹83.91 million in Fiscal 2016 from ₹64.25 million in Fiscal 2015.

Other operational costs: Our other operational costs increased by 32.23% to ₹3,086.17 million in Fiscal 2016 from ₹2,333.95 million in Fiscal 2015. This increase was due to an increase in contract labour charges, housekeeping and security expenses, electricity and fuel expenses and an increase in rentals payable for the existing stores and the new stores.

Finance costs: Our finance costs increased by 25.52% to ₹908.24 million in Fiscal 2016 from ₹723.61 million in Fiscal 2015. While interest on term loans from banks decreased to ₹639.54 million in Fiscal 2016 from ₹712.35 million in Fiscal 2015 million, this was offset by an increase in interest payable on non-convertible debentures to ₹305.52 million in Fiscal 2016 from ₹97.37 million in Fiscal 2015.

Depreciation and amortisation expense: Our depreciation and amortisation expense increased by 20.71% to ₹984.29 million in Fiscal 2016 from ₹815.41 million in Fiscal 2015. This was due to increase in fixed assets in Fiscal 2016. Our tangible assets increased to ₹ 20,891.77 million in Fiscal 2016 from ₹15,240.88 million in Fiscal 2015. Our intangible assets increased to ₹43.40 million in Fiscal 2016 from ₹39.93 million in Fiscal 2015.

Other expenses: Our other expenses increased by 26.91% to ₹1,596.38 million in Fiscal 2016 from ₹1,257.91 million in Fiscal 2015. This increase was due to an increase in certain key expenses including:

- repairs and maintenance of several stores which increased to ₹323.49 million in Fiscal 2016 from ₹252.24 million in Fiscal 2015.

- selling and distribution expenses which increased to ₹660.84 million in Fiscal 2016 from ₹500.20 million in Fiscal 2015 due to an increase in transport costs, packing costs, costs associated with greater use of debit and credit cards in certain cities and a higher number of aggregate credit card transactions due to opening of new stores.

Tax expenses: Our tax expenses increased by 54.72% to ₹1,716.20 million in Fiscal 2016 from ₹1,109.20 million in Fiscal 2015. This was due to our higher profit. Our current tax expense increased to ₹1,620.90 million in Fiscal 2016 from ₹1,064.98 million in Fiscal 2015 and our deferred tax charge increased to ₹93.98 million in Fiscal 2016 from ₹44.22 million in Fiscal 2015.

Profit after tax for the year, as Restated: Due to the factors mentioned above, our profit after tax increased by 51.74% or ₹1,095.18 million to ₹3,212.07 million in Fiscal 2016 from ₹2,116.89 million in Fiscal 2015.

Fiscal 2015 Compared to Fiscal 2014

Total Revenue

Our total revenue increased by 37.33% to ₹64,576.89 million in Fiscal 2015 from ₹47,023.25 million in Fiscal 2014 due to the factors described below:

Revenue from operations: Our revenue from operations increased by 37.40% to ₹64,394.33 million in Fiscal 2015 from ₹46,864.88 million in Fiscal 2014. This increase was primarily due to increase in sale volumes of existing stores and from the newly opened stores.

Other income: Our other income increased by 15.27% to ₹182.56 million in Fiscal 2015 from ₹158.37 million in Fiscal 2014. This increase was primarily due to an increase in profit from sale of our current investments and income from rent and amenities service. Our other income as a percentage of total revenue was 0.28% for Fiscal 2015 as compared to 0.34% for the Fiscal 2014.

Total Expenses

Our total expenses increased by 37.62% to ₹61,343.43 million in Fiscal 2015 from ₹44,574.01 million in Fiscal 2014, due to the factors described below:

Cost of goods sold: Cost of goods sold increased by 37.72% from ₹39,844.28 million in Fiscal 2014 to ₹54,871.93 million in Fiscal 2015.

a. *Purchase of Stock-in-trade:* Our purchase of stock-in trade increased by 38.22% to ₹56,484.73 million in Fiscal 2015 from ₹40,865.32 million in Fiscal 2014. This increase was primarily due to an increase in sales volume in existing stores and in new stores.

b. *Changes in Inventory of Stock-in-trade:* Our changes in inventory of stock-in trade changed by 57.96% to ₹(1,612.80) million in Fiscal 2015 from ₹(1,021.04) million in Fiscal 2014.This was primarily due to higher level of closing stock at end of Fiscal 2015 compared to Fiscal 2014.

Employee benefits expense: Our employee benefits expense increased by 53.50% to ₹1,340.62 million in Fiscal 2015 from ₹873.37 million in Fiscal 2014. This increase was due to an increase in headcount and an increase in salaries, allowances and contribution to the provident fund.

Other operational costs: Our other operational costs increased by 28.90% to ₹2,333.95 million in Fiscal 2015 from ₹1,810.60 million in Fiscal 2014. This increase was due to an increase in contract labour, housekeeping and security expenses, electricity and fuel expenses and increase in rentals payables for the existing stores and the new stores..

Finance costs: Our finance costs increased by 29.97% to ₹723.61 million in Fiscal 2015 from ₹556.76 million in Fiscal 2014. This increase was due to additional term loans taken from banks and issuance of non-convertible debentures even though our average cost of borrowings has come down. Our interest on term loans from banks increased to ₹712.35 million in Fiscal 2015 from ₹600.67 million in Fiscal 2014 and additional interest on issuance of non-convertible debentures of ₹97.37 million.

Depreciation and amortisation expense: Our depreciation and amortisation expense increased by 43.02% to ₹815.41 million in Fiscal 2015 from ₹570.13 million in Fiscal 2014. This increased due to the opening of 14 new stores. Our tangible assets increased to ₹15,240.88 million in Fiscal 2015 from ₹11,680.67 million in Fiscal 2014. Our intangible assets increased to ₹39.93 million in Fiscal 2015 from ₹36.20 million in Fiscal 2014.

Other expenses: Our other expense increased by 36.90% to ₹1,257.91 million in Fiscal 2015 from ₹918.87 million in Fiscal 2014. This increase was due to an increase in certain key expenses including:

- repairs and maintenance of several stores which increased to ₹252.24 million in Fiscal 2015 from ₹192.72 million in Fiscal 2014.

- selling and distribution expenses (due to an increase in transport costs, packing costs, costs associated with greater use of debit and credit cards in certain cities and a higher number of aggregate credit card transactions due to opening of new stores) which increased to ₹500.20 million in Fiscal 2015 from ₹368.57 million in Fiscal 2014.

Tax expenses: Our tax expenses increased by 32.84% to ₹1,109.20 million in Fiscal 2015 from ₹834.99 million in Fiscal 2014. This was due to our higher profit. Our current tax expense increased to ₹1,064.98 million in Fiscal 2015 from ₹770.85 million in Fiscal 2014 which was partially off-set by a decrease in our deferred tax charge to ₹44.22 million in Fiscal 2015 from ₹64.32 million in Fiscal 2014.

Profit after tax for the year, as Restated: Due to the factors mentioned above, our profit after tax increased by 31.18% or ₹503.17 million to ₹2,116.89 million in Fiscal 2015 from ₹1,613.72 million in Fiscal 2014.

Other Key Ratios

	Fiscal 2016	**Fiscal 2015**	**Fiscal 2014**
Fixed Asset Turnover Ratio	3.95	3.96	3.72
Debt Equity Ratio	0.78	0.75	0.67
Current Ratio	1.28	1.60	1.37
Inventory Turnover Ratio	14.18	14.03	14.32

Fixed Asset Turnover Ratio: This is defined as revenue from operations divided by total fixed assets, based on Restated Consolidated Financial Information.

Debt Equity Ratio: This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings and current maturity of long term debt, based on Restated Consolidated Financial Information.

Current Ratio: This is defined as current assets divided by current liabilities, based on Restated Consolidated Financial Information.

Inventory Turnover Ratio: This is defined as revenue from operations divided by average inventory. Average inventory is computed by dividing the sum of opening inventory and closing inventory by two, based on Restated Consolidated Financial Information.

Liquidity and Capital Resources

Over the past three years, we have been able to finance our working capital requirements through cash generated from our operations, bank loans and facilities and issuance of non-convertible debentures. We have relied on cash from internal resources and loans from banks to finance the expansion of our business and operations. Since commencement of our operations, we have expanded to 110 stores and 21 distribution centers as on March 31, 2016. As on September 15, 2016, we have further expanded to 112 stores and 21 distribution centres. We believe that after taking into account the expected cash to be generated from our business and operations and the proceeds from our bank loans, we have sufficient working capital for our present requirements and anticipated requirements for capital expenditures and other cash requirements for 12 months following the date of this Draft Red Herring Prospectus.

The table below summarises our cash flows from our Restated Consolidated Financial Information of cash flows for the Fiscals 2016, 2015 and 2014:

(In ₹ million)

	Fiscal 2016	**Fiscal 2015**	**Fiscal 2014**
Net cash generated from operating activities	4,471.39	2,220.18	1,981.40
Net cash (used) in investing activities	(6,583.36)	(4,738.83)	(2,701.73)
Net cash generated from financing activities	2,081.81	2,344.51	652.33
Net increase/ (decrease) in cash and cash equivalents	(30.16)	(174.14)	(68.00)
Cash and Cash Equivalents at the beginning of the period	372.16	546.30	614.30
Cash and Cash Equivalents at the end of the period	342.00	372.16	546.30

Operating Activities

Fiscal 2016

Our net cash generated from operating activities was ₹4,471.39 million in Fiscal 2016. Our operating profit before working capital changes was ₹6,798.53 million in Fiscal 2016, which was primarily adjusted by an increase in inventory of ₹1,320.79 million, trade payables of ₹732.98 million, loans and advances of ₹320.56 million and other current liabilities of ₹225.85 million.

Fiscal 2015

Our net cash generated from operating activities was ₹2,220.18 million in Fiscal 2015. Our operating profit before working capital changes was ₹4,740.35 million for Fiscal 2015, which was primarily adjusted by increase in inventory of ₹1,612.80 million, other current liabilities of ₹108.95 million, loans and advances of ₹54.28 million, and trade receivables of ₹24.71 million.

Fiscal 2014

Our net cash generated from operating activities was ₹1,981.40 million in Fiscal 2014. Our operating profit before working capital changes was ₹3,558.54 million for Fiscal 2014, which was primarily adjusted by increase in inventory of ₹1,021.04 million, trade payables ₹284.13 million and loans and advances ₹185.02 million.

Investing Activities

Fiscal 2016

Net cash used in investing activities was ₹6,583.36 million in Fiscal 2016. This was primarily on account of purchase of current investments of ₹33,351.91 million and purchase of tangible and non-tangible of ₹6,480.52 million. This amount was partly offset by proceeds received from sale of current investments of ₹33,365.49 million.

Fiscal 2015

Net cash used in investing activities was ₹4,738.83 million in Fiscal 2015. This was primarily on account of purchase of current investments of ₹29,013.98 million and purchase of tangible and non-tangible of ₹4,774.27 million. This amount was partly offset by proceeds received from sale of current investments of ₹29,044.77 million.

Fiscal 2014

Net cash used in investing activities was ₹2,701.73 million in Fiscal 2014. This was primarily on account of purchase of current investments of ₹6,438.87 million and purchase of tangible and non-tangible of ₹2,716.99 million. This amount was partly offset by proceeds received from sale of current investments of ₹6,445.84 million.

Financing Activities

Fiscal 2016

Net cash generated from financing activities in Fiscal 2016 was ₹2,081.81 million which primarily consisted of proceeds from issuance of non-convertible debentures of ₹3,500.00 million, net proceeds from issuance of commercial papers of ₹500.00 million and net receipts of working capital loans of ₹366.33 million. This amount was partly offset by repayments made of term loans of ₹1,468.00 million and finance costs of ₹816.32 million.

Fiscal 2015

Net cash generated from financing activities in Fiscal 2015 was ₹2,344.51 million which primarily consisted of proceeds from issuance of non-convertible debentures of ₹2,000.00 million and proceeds from drawdown of term loan of ₹2,950.00 million. This amount was partly offset by repayments made of term loans of ₹2,205.87 million and finance costs of ₹620.64 million.

Fiscal 2014

Net cash generated from financing activities in Fiscal 2014 was ₹652.33 million which primarily consisted of proceeds from drawdown of term loan of ₹2,150.00 million and net receipts of working capital loans of ₹298.91 million. This amount was partly offset by repayments made of term loans of ₹925.36 million and finance costs of ₹552.38 million.

Borrowings

As on March 31, 2016, the total outstanding borrowings of our Company aggregated to ₹11,934.75 million, which includes long-term borrowings of ₹9,048.69 million, short-term borrowings of ₹1,296.99 million and, current portion of secured long term borrowings, of ₹1,553.07 million. As on August 31, 2016, the outstanding amount under the borrowings of our Company on is ₹15,008.34 million. For further details, see "*Financial Indebtedness*" on page 183.

Secured Borrowings

(in ₹ million)

Particulars	Fiscal 2016
From Banks	3,584.69
Non-convertible debentures	5,500.00
Total	**9,084.69**
Working capital loans from banks	785.69
Current portion of secured long term borrowings included in other current liabilities	1,553.07
Total	**11,423.45**

Unsecured Borrowings

(in ₹ million)

Particulars	Fiscal 2016
Commercial paper	500.00
From Others	11.30
Total	**511.30**

In the event, any of our lenders declare an event of default, this could lead to acceleration of our repayment obligations, termination of one or more of our financing agreements or force us to sell our assets, any of which could adversely affect our business, results of operations and financial condition.

Further, as of August 31, 2016, our aggregate outstanding borrowings, including bank guarantees was ₹59.34 million. For a description of indicative terms of our indebtedness, see "*Financial Indebtedness*" on page 183.

Related Party Transactions

Related party transactions with certain of our promoters and directors primarily relate to remuneration payable, loans advanced and issue of Equity Shares. For further details of such related parties under AS 18, see "*Financial Statements*" beginning on page 161.

Contingent Liabilities

As of March 31, 2016, the claims against the Company not acknowledged as debts as disputed by the Company relating to issues of applicability are given below:

(In ₹ million)

Particulars	Fiscal 2016
Income Tax Matters	2.95
VAT Matters	31.98
Service Tax Matters	6.91
Other Matters	6.31

It is not practical for the Company to estimate the timings of cash outflow, if any in respect of above pending resolutions of the respective proceedings.

Off-Balance Sheet Items

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements**.**

Capital and Other Commitments

As of Fiscals 2016, we had contractual obligations in the following amounts:

(In ₹ million)

Particulars	Fiscal 2016	Fiscal 2015	Fiscal 2014
Estimated amounts of contracts remaining to be executed on capital account and not provided for	4,886.55	3,821.42	2,431.38

Capital Expenditure

Our capital expenditure includes tangible and intangible assets. Tangible assets primarily include freehold land, leasehold land, building. Intangible assets primarily include software and trademarks. The following table sets out the capital expenditure for the periods indicated:

(In ₹ million)

Particulars	Fiscal 2016	Fiscal 2015	Fiscal 2014
Capital Expenditure (additions to Gross Block)	6,668.26	4,399.71	3,057.77
Capital work-in-progress	816.87	981.17	887.82
Capital advances	845.52	644.44	304.73
Creditors for capital goods	434.61	217.79	155.47

Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including credit risk, exchange rate risk and inflation risk. We believe that our principal market risks are commodity price risk, inflation risk and interest rate risk.

Reservations, Qualifications and Adverse Remarks

There are no reservations, qualifications and adverse remarks by our statutory auditor for the previous five Fiscals. However, the auditors reported an emphasis of matter, namely, for Fiscal 2016 that the board of directors of the Company comprised of only one independent director and in the absence of requisite number of independent directors on the Board, the constitution of each of the Audit Committee and the Nomination & Remuneration Committee were not in accordance with Section 177 and Section 178 of the Companies Act, 2013.

The auditors further reported that the Company represented that it has continued its efforts for appointment of one more independent director by identifying a suitable person having requisite professional qualifications, knowledge and experience and the Board appointed Mr. Chandrashekar Bhave as an independent director on May 17, 2016.

Details of Default, if any, Including Therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution

Except as disclosued in "*Financial Statements*" beginning on page 161, there have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company during the period April 1, 2014 up to March 31, 2016. As of March 31, 2016, the following amounts are outstanding:

(In ₹ million)

Particulars	Fiscal 2016
Principal amount due and remaining unpaid	0.25
Interest due on principal amount due and the unpaid interest	0.10
Interest due and payable for the period of delay for principal amount due	0.10

Material Frauds

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last five Fiscals.

Unusual or Infrequent Events or Transactions

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income from continuing operations except as described in "*Risk Factors*" beginning on page 13.

Known Trends or Uncertainties that Have Had or are Expected to Have a Material Adverse Impact on Sales, Revenue or Income from Continuing Operations

Our business has been affected and we expect that it will continue to be affected by the trends identified above in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting Our Results of Operations*" and the uncertainties described in the section "*Risk Factors*" beginning on page 168 to 169 and 13, respectively. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse impact on sales, revenue or income from continuing operations.

Future Changes in Relationship between Costs and Revenues, in Case of Events Such as Future Increase in Labour or Material Costs or Prices that will Cause a Material Change are Known

Other than as described in "Risk Factors" and this section, we believe there are no known factors that might affect the future relationship between cost and revenue.

Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices

Changes in revenue in the last three Fiscals are as explained in the part "Fiscal 2016 compared to Fiscal 2015 and Fiscal 2015 compared to Fiscal 2014" in this section.

Total Turnover of Each Major Industry Segment in Which the Issuer Operates

Our business is limited to a single reportable segment.

Competitive Conditions

We expect competition in our industry from existing and potential competitors to intensify. For details, see discussions of our competition in "*Risk Factors*" on page 27.

Increase in income

Increases in our income are due to the factors described above in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting Our Results of Operations*" and "*Risk Factors*" beginning on pages 168 to 170 and 13, respectively.

Status of any Publicly Announced New Products or Business Segments

We have not announced and do not expect to announce in the near future any new products or business segments.

Significant Dependence on a Single or Few Suppliers or Customers

We are not dependent on any particular supplier or customer.

Seasonality of Business

Although sale volumes of certain products retailed by us are affected by seasonality, our overall revenues and results are not affected by seasonal factors.

Significant Developments After March 31, 2016 that May Affect Our Results of Operations

Except as set out in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

Recent Accounting Pronouncements

India has decided to adopt the "Convergence of its existing standards with IFRS" not IFRS. These "IFRS based/ synchronised Accounting Standards" are referred to in India as Ind AS. The Ministry of Corporate Affairs, Government of India, has through a notification dated February 16, 2015, set out the Ind AS and the timelines for their implementation. Accordingly, our Company is required to prepare its statutory financial statements in accordance with Ind AS from April 1, 2016. Given that Ind AS is different in many respects from Indian GAAP under which our statutory financial statements are currently prepared, our statutory financial statements for the period commencing from April 1, 2016 may not be fully comparable to our statutory historical financial statements.

See "*Risk Factors - Our Restated Financial Information for the preceding five years, on a standalone as well as consolidated basis, included in this Draft Red Herring Prospectus have been prepared in accordance with the Companies Act and the SEBI Regulations, which vary in certain respects from other accounting principles, including Ind AS. These regulations may also vary with ICDS, which may be material to an investor's assessment of our results of operations and financial condition.*" beginning on page 29. The Company has conducted a preliminary analysis in relation to the transition to Ind AS, the key highlights of which are set out in "*Summary of Significant Differences Between Indian GAAP and Ind AS*" beginning on page 62. This is an indicative analysis of significant line items only and is provided for convenience only. It is not intended to be an exhaustive list. Investors should seek specific advice from their advisors in relation to the impact of transition to Ind AS.

FINANCIAL INDEBTEDNESS

As on August 31, 2016, the outstanding amount under the borrowings of our Company is ₹15,004.91 million and of our subsidiary, ARTPL is ₹3.43 million.

Our subsidiaries, AFPPL and NSJDPL, do not have any outstanding borrowings as of August 31, 2016.

Our Company and Subsidiaries avail loans in the ordinary course of business for the purposes of capital expenditure including but not limited to land and building for stores including furniture, fixtures, interior work, machinery and equipment for such stores and refinancing of existing debts.

As on August 31, 2016, the aggregate outstanding borrowings of our Company on a consolidated basis are as follows:

Category of borrowing	Sanctioned amount (in ₹ million)	Outstanding amount (in ₹ million)
Banks		
Fund Based(1)		
Term Loans(2)	-	6,432.69
Working Capital Facilties(3)	1,890.00	16.31
Non Fund Based		
Bank Guarantees	150.50	59.34
Total (A)		**6,508.34**
Others		
Non Convertible Debentures	-	8,000.00
Commercial Papers	-	500.00
Total (B)		**8,500**
Total (A+B)		**15,008.34**

(1)Other than borrowings by way of subscription to commercial papers, all the fund based borrowings of our Company and Subsidiaries are secured.

(2)Our Company has drawndown the entire facility sanctioned by the respective lenders.

(3)Our working capital facilties include fund based and non-fund based sub-limits which are set out below:

1. *A working capital facilty of ₹ 350.00 million has been sanctioned to our Company by Kotak Mahindra Bank Limited which includes sub-limits of (i) cash credit of ₹ 350.00 million; (ii) working capital deman loan of ₹ 350.00 million; (iii) letters of credit (inland and foreign) of ₹ 50.00 million; and (iv) bank gaurantee of ₹ 50.00 million.*

2. *A combined limit of ₹ 500.00 million has been sanctioned to our Company by HSBC which includes sub-limits of (i) overdraft facility of ₹ 100.00 million; (ii) working capital loan of ₹ 500.00 million; and (iii) vendor finance of ₹ 500 .00 million.*

3. *Commercial papers of ₹ 200.00 million have been sanctioned to our Company by HDFC Bank Limited which is interchangeable with the working capital faciltity of ₹ 280.00 million sanctioned to our Company.*

Principal terms of the borrowings availed by our Company:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by us.

1. ***Interest:*** In terms of the terms loans and working capital facilities availed by us, the interest rate typically ranges from 8.65% to 11.50% per annum.

Our Company has also issued NCDs to various subscribers. The coupon rate for the NCDs issued by our Company typically ranges from 8.25 % to 10.38 % per annum.

2. ***Tenor:*** The tenor of the term loans availed by us typically ranges from four to six years and the working capital facilities is typically one year, with an option of renewal every year. The maturity date of the NCDs issued by us typically ranges from three to five years.

3. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to:

a) Create security by way of equitable mortgage on our Company's fixed assets;

b) Create a first *pari passu* or first charge on current assets, book debts, stocks and receivables under the financing activity, including all benefits and rights incidental thereto;

c) Personal guarantees from certain of our Promoters; and

d) Demand promissory notes.

4. ***Repayment:*** While certain term loans are repayable on demand, the repayment period for the term loans typically ranges from four to seven years. The lenders are entitled to recalculate the installments schedules if the lender varies the interest rate and/or upon the occurrence of any event which in the opinion of the lender necessitates a recalculation of the same.

Our working capital facilities are repayable in accordance with the terms of the loan arrangements.

The NCDs issued by our Company are typically redeemable after two years to three years.

5. ***Prepayment:*** Prepayment of our terms loans and working capital facilities is permitted only with prior approval of the respective lenders and such prepayment is typically subject to prepayment penalties at the lender's discretion.

6. ***Key Covenants:***

In terms of our facility agreements, certain corporate actions for which our Company requires prior written consent of the lenders include:

a) change in the purpose for which the facility was obtained;

b) change in capital structure of our Company;

c) amendment to the constitutional documents of our Company;

d) to effect any material change in the management or the business;

e) change in control of our Company;

f) modifications/amendments carried out in the constitution and ownership of our Company;

g) disposing of its assets or compromise with any of its creditors; and

h) prepayment of the outstanding principal amounts of the loans in full or in part before the due date.

Further, the facility agreements include the following key covenants and terms:

a) restriction with respect to further borrowings by our Company;

b) intimation for change in shareholding pattern of our Company;

c) maintaining the financial ratios as specified in the respective facility documents;

d) ensuring that the Promoters exercise management control and own at least 51% of the equity share capital of our Company;

e) restriction from declaring or paying any dividend or authorizing or making any distribution to the Shareholders unless all dues to the lenders in respect of the outstanding facilities have been repaid or sufficient arrangements made for repayment;

f) ensuring that the net working capital does not fall below the minimum amounts stipulated by the lenders; and

g) right of the lender to appoint a nominee director.

7. ***Events of Default:***

In terms of our facility agreements, the following, among others, constitute as events of default:

a) our Company does not pay on the due date any amount payable;

b) destruction, depreciation or fall in value of any property available to the lender as security or the title of any property available to the lender as security being unclear, unmarketable or encumbered in the opinion of the lender;

c) upon happening of any substantial change in the constitution or management of our Company without the previous written consent of the respective lenders;

d) proceedings of winding up, or the lender being declared or considered to be a sick company, or a relief undertaking or a protected company or a sick industrial company or a protected industrial company or otherwise, under any law, statute, rule or ordinance which would have the effect of suspending or waiving all or any right against our Company or in respect of any contract or agreement concerning the lender;

e) use of the facility for investments in shares and securities, on-lending to associate companies, investments in inter corporate loans or deposits;

f) failure to pay any amount or meet with any obligation when due to any person other than the lender or an event of default being constituted in relation to any of our Company's credit, borrowal or any other arrangement with any person or entity other than the lender; and

g) any person other than the lender accelerating repayment due from our Company to such other person under our Company's credit, borrowal or any other arrangement with that person.

Additionally, our Company is required to ensure that the aforementioned events of default and other events of default, as specified under the various loan documentation entered into by our Company for the purpose of availing of loans is not triggered.

8. Consequences of occurrence of events of default:

In terms of our facility agreements, the following, among others, are the consequences of occurrence of events of default, our lenders may:

a) withdraw or cancel the sanctioned facilities;

b) seek immediate repayment of the all or part of the outstanding amounts under the respective facilities; and

c) enforce their security interest which includes, among others, taking possession of charged assets and transfer of the secured assets to such other third parties by way of lease, leave and license, sale or otherwise.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (i) criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) claims related to direct and indirect taxes, and (iv) material litigation, in each case involving our Company, Subsidiaries, Promoters, Group Companies or Directors.

For the purpose of (iv) above, our Board in its meeting held on September 24, 2016, has considered and adopted a policy of materiality for identification of material litigation. In terms of the materiality policy adopted by our Board:

(a) any outstanding legal proceeding involving our Company which involve an amount exceeding one percent of the consolidated profit after tax of our Company in the last audited financial year shall be considered material. During Fiscal 2016, the consolidated profit after tax of our Company was ₹ 3,205.97 million and accordingly, any outstanding litigation involving an amount exceeding ₹ 32.06 million has been considered material for the purposes of disclosure in this section based on the policy approved by our Board;

(b) any outstanding legal proceeding involving our Subsidiaries, corporate Promoter (other than trusts) and Group Companies which involve an amount exceeding one percent of the consolidated profit after tax of the respective entities in the last audited financial year shall be considered material. During Fiscal 2016, the profit/(loss) after tax of ARTPL, AFPPL, NSJDPL, DEFPL, AECL and Bright Star was ₹ 4.99 million, ₹ 14.80 million, ₹ 4.52 million, ₹ 245.75 million, (₹ 1.62 million) and ₹ 510.92 million, respectively, and accordingly, any outstanding litigation involving an amount exceeding ₹ 0.49 million for ARTPL, ₹ 1.48 million for AFPPL, ₹ 0.45 million for NSJDPL, ₹ 2.47 million for DEFPL, no specific materiality threshold for AECL and ₹ 5.11 million for NSJDPL has been considered material for the purposes of disclosure in this section based on the policy approved by our Board;

(c) any outstanding legal proceeding involving our Promoters (which are trusts) which involve an amount exceeding one percent of the income of the respective trusts in the last audited financial year shall be considered material. During Fiscal 2016, the total income of Royal Palm Trust, Bottle Palm Trust, Mountain Glory Trust, Gulmohar Trust and Karnikar Trust was ₹ 3.18 million, ₹ 3.18 million, ₹ 3.18 million, ₹ 3.28 million and ₹ 3.19 million, respectively, and accordingly, any outstanding litigation involving an amount exceeding ₹ 0.03 million for Royal Palm Trust, ₹ 0.03 million for Bottle Palm Trust, ₹ 0.03 million for Mountain Glory Trust, ₹ 0.03 million for Gulmohar Trust and ₹ 0.03 million for Karnikar Trust has been considered material for the purposes of disclosure in this section based on the policy approved by our Board;

(d) no materiality threshold for outstanding legal proceedings involving individual Promoters and Directors would be considered and all outstanding legal proceedings involving individual Promoters and Directors shall be considered material for the purposes of disclosure in this section; and

(e) any legal proceeding involving our Company, Subsidiaries, Promoters, Group Companies or Directors or any other person, where the monetary liability is not quantifiable, but where the outcome of such legal proceedings could have a material adverse effect on the position of our Company, would be considered material.

Further, except as stated in this section, there are no (i) inquiries, inspections or investigations initiated or conducted, prosecutions filed or fines imposed against or compounding of offences by our Company or Subsidiaries under the Companies Act in the last five years; (ii) instances of defaults or non-payment of statutory dues in the last five Fiscals except as disclosed in "Financial Statements" beginning on page 161; (iii) material outstanding dues to creditors; (iv) material frauds committed against our Company in the last five years; (v) outstanding proceedings initiated against our Company for economic offences; and, (vi) litigation or legal action pending or taken by any Ministry or department of the Government or a statutory authority during the last five years immediatley preceding the date of this Draft Red Herring Prospectus against any of our Promoters.

For the purpose of (iii) above, our Board in its meeting held on September 24, 2016 has considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of the materiality policy, any outstanding dues (trade payables) which exceed one percent of the total dues (trade payables) owed by our Company on a consolidated basis as at the end of the last audited financial year shall be considered as material. During Fiscal 2016, our total trade payables was ₹ 1,910.27 million and accordingly, any outstanding dues exceeding ₹ 19.10 million has been considered as material outstanding dues for the purposes of disclosure in this section.

I. Litigation involving our Company

A. Litigation filed against our Company

Criminal proceedings

1. Shamu Y. Dhotre, Rationing Officer, Food and Civil Supplies Department, Govandi (the "Rationing Officer"), filed an FIR with the Mulund Police Station against one of our store managers, Vishwanath Ramachandra Joshi, in his capacity as a representative of our Company, alleging storage of sugar and pulses in excess quantities without obtaining a license in violation of the requirements under the ECA. A bail application was filed by our Company before the Sessions Court, Greater Bombay (the "Sessions Court"). Subsequently, the Controller, Rationing & Public Distribution Department, passed an order releasing pulses and sugar seized by the Rationing Officer as they were stored within the permissible limits and bail was granted to the store manager by the Sessions Court. The matter is currently pending.

2. B. M. Patel, Assistant Commissioner, Food and Drug Administration, Anand, filed a criminal complaint (the "Criminal Complaint") before the Chief Judicial Magistrate, Anand against our Company, our Directors, Ignatius Navil Noronha and Ramakant Baheti and others, alleging misbranding of a sample of a product, "Neo Fresh Namkin Tikha Mix" resulting in violation of the PFA Act. Thereafter, our Company filed a criminal miscellaneous discharge application before the Gujarat High Court against the Criminal Complaint, pursuant to which an interim order was passed by the Gujarat High Court discharging our Directors, Ignatius Navil Noronha and Ramakant Baheti since they were not involved in the commission of the alleged offence. The matter is currently pending.

3. V.D. Rana, Food Inspector, Vadodara Mahanagar Seva Sadan, filed a criminal complaint before the Metropolitan Magistrate's Court, Vadodara, against our Company, our Promoter, Radhakishan S. Damani, and our Directors, Ignatius Navil Noronha and Ramakant Baheti, and others, alleging adulteration of sample of a product "Jaipuri Mukhwas" resulting in a violation of the PFA Act and the PFA Rules. Thereafter, our Company filed an application seeking discharge of our Promoter, Radhakishan S. Damani, and our Directors, Ignatius Navil Noronha and Ramakant Baheti, contending that the goods procured from the manufacturer were under written warranty and in due compliance with the PFA Act and PFA Rules and subsequently, pursuant to the application filed by our Company, our Promoter, Radhakishan S. Damani, and our Directors, Ignatius Navil Noronha and Ramakant Baheti were discharged. The matter is currently pending.

4. Somnath Bande, Rationing Officer, Food and Civil Supplies Department, Municipal Corporation of Greater Mumbai (the "Rationing Officer"), filed an FIR with the Powai Police Station against one of our store managers, Ramesh Shukla, in his capacity as a representative of our Company, alleging storage of sugar and pulses in excess quantities without obtaining a license, in violation of the requirements under the ECA. Subsequently, an anticipatory bail application has been filed before the Sessions Court, Brihan, Mumbai, (the "Court") by the store manager contending that there was no criminal intention in not obtaining the said license and that it was an inadvertant and technical error on part of our Company. Pursuant to this, an order was passed by the Court granting bail to the store manager. The matter is currently pending.

5. Bhagwan Bapu Shinde, Assistant Police Inspector, Kapurbawadi, filed an FIR against one of our store managers, Vidyadhar Dinkar Vardhan, in his capacity as a representative of our Company, alleging sale of "Nutralite Spread" which was found to be unsafe for consumption under the relevant provisions of the Indian Penal Code and of the PFA Act. Thereafter, our Company filed a bail appplication before the Additional Sessions Judge, Thane, contending that our Company is not responsible for the quality of the product pursuant to which the Additional Sessions Judge, Thane, granted a bail to the store manager. The matter is currently pending.

6. Tejal Sawant, Assistant Law Officer, K West Ward, filed a criminal complaint before the Metropolitan Magistrate, Vile Parle, against one of our store managers, Nilesh Gawade, in his capacity as a representative of our Company, alleging that preventive measures have not been taken in relation to mosquito breeding in terms of the requirements under relevant provisions of the Mumbai Municipal Corporation Act, 1888 with respect to our store in Versova. The matter is currently pending.

7. V.B. Kadam, Inspector, Shops and Establishments, Municipal Corporation of Greater Mumbai, filed a complaint before the Metropolitan Magistrate Shindewadi, Dadar, against our Company, our Directors, Ignatius Navil Norhona, Ramakant Baheti and Ramesh S. Damani, for not complying with relevant provisions of the Mumbai Shops and Establishments Act, 1948 and the Mumbai Shops and Establishments Rules, 1948, on grounds of (i) employing a woman in the establishement after 9:30 pm, and, (ii) not maintaining the prescribed inspectors visit book for the record of remarks therein at the time of the visit. The matter is currently pending.

8. Nilesh Massare, Food Safety Officer, Food and Drugs Administration, Solapur has filed a criminal complaint before the Chief Judicial Magistrate, Solapur (the "Court"), against one of our store managers, Atul Laxman Dorvat, in his capacity as a representative of our Company, alleging that the product, 'Premia Black Pepper' was substandard and unsafe for consumption resulting in a violation of the FSS Act. Subsequently, a bail application has been filed before the Court. Pursuant to this, an order was passed by the Court granting bail to the store manager. The matter is currently pending.

9. Nilesh Massare, Food Safety Officer, Food and Drugs Administration, Solapur has filed a criminal complaint before the Chief Judicial Magistrate, Solapur (the "Court"), against one of our store managers, Atul Laxman Dorvat, in his

capacity as a representative of our Company, alleging that the product 'Lotto Chocopie Cake Confectionary' was misbranded and unsafe for consumption resulting in a violation of the FSS Act. Subsequently, a bail application was filed before the Court. Pursuant to this application, an order was passed by the Court granting bail to our store manager. The matter is currently pending.

10. Ashok Doke, Government Labour Officer, State Labour Department, Thane has filed a criminal complaint before the Judicial Magistrate First Class, Kalyan District, Thane, on grounds of non-complaince with the relevant provisions under the Minimum Wages Act, 1948 including non- maintenance of regular registers and records in relation to the regular and contract labour employees and prescribed attendance card cum wage slips with respect to the employees. The matter is currently pending.

11. D.S. Dabhade, Labour Officer and Inspector, filed a complaint before the Judicial Magistrate First Class, Kalyan, Thane, against our Company and others for non compliance with requirements under the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 which include, among others, (i) not submitting written notice to the inspector before thirty days of the commencement and completion of any building or construction work, (ii) not preparing a written statement of policy in respect of safety and health, and, (iii) not maintaining a health register. The matter is currently pending.

Actions by Regulatory and Statutory authorities

12. Our Company has filed a writ petition before the Bombay High Court against Kolhapur Municipal Corporation and others (the "Respondents") in relation to a property at Rankala, Kolhapur (the "Property"), against the notice of revocation of the occupancy certificate issued with reference to sub-division and construction on the Property by the Respondents. Our Company had purchased the Property and a commercial building was constructed by our Company on the Property based on the plan approved by the Kolhapur Municipal Corporation ("KMC") and accordingly, an occupation certificate was issued by the KMC. The occupation certificate included a condition that the final sub-division shall be obtained within four months. However, subsequently, a notice of revocation of the occupancy certificate was issued by the KMC on the grounds of non-completion of sub-division within the prescribed period and non-compliance with the relevant provisions of the Maharashtra Regional Town Planning Act, 1996. The matter is currently pending.

13. Our Company has filed a writ petition before the Bombay High Court against the Pimpri Chinchwad Municipal Corporation ("PCMC") and others with reference to revocation of a no-objection certificate issued by the Central Railway due to alleged construction undertaken on a property at Pune under transmission lines. It was alleged that in terms of the requirements under the Indian Electricity Rules, 1956, our Company was required to obtain permission from the Central Railway. The Central Railway had issued a no-objection certificate indicating certain conditions indicating that the construction should be undertaken as per the terms of the no-objection certificate. Based on the no-objection certificate issued by the Central Railway and the consequent approval from PCMC, our Company had undertaken construction on the property and obtained occupation certificate from PCMC. However, our Company received a notice from the Central Railway directing our Company to remove the unauthorised construction within 15 days of the notice. Our Company replied to this notice indicating *inter alia* that the building plan had been approved by PCMC. Subsequently, the no-objection certificate was withdrawn by the Central Railway. Our Company has contended that the no-objection certificate is not required any further as subsequently, the transmission lines have been removed. The matter is currently pending.

14. Our Company and another have filed a writ petition before the Bombay High Court against the Mumbai Metropolitan Region Development Authority (the "MMRDA") and others in relation to a property at Bhopar, Dombiwali (the "Property"). Our Company had purchased the Property with the building constructed on the Property through a public auction conducted by the Debt Recovery Tribunal, Mumbai. Our Company received a show cause notice from MMRDA alleging that construction had been undertaken by our Company without approval of competent authorities and required demolition of the building on the Property. Subsequently, the Bombay High Court has granted an injunction against the aforesaid notice. The matter is currently pending.

15. Our Company has filed a writ petition before the Bombay High Court against the Navi Mumbai Municipal Corportation (the "Corporation") and others against a notice (the "Notice") issued by the Corporation, alleging certain discrepencies in usage of the building as sanctioned in the occupation certificate for a property at Koparkhairne (the "Property"). Subsequently, an order was passed by the Court quashing and setting aside the Notice. The matter is currently pending.

16. Six applications have been filed by the food safety officers against certain of our store mangers and officers of our Company in their respective capacity as representatives of our Company, of which (i) three applications are pending before the Food and Drugs Administration Commissioner, Bandra, and (ii) three applications are pending before the Adjudicating Officer and Commissioners of the Food and Drugs Administration, Thane, alleging violations of the FSS Regulations on grounds of alleged misbranding of certain products and certain products being substandard resulting in violation of the FSS Regulations.

17. Dinesh S. Dabhade has filed a complaint before the Court of Chief Inspector, Mumbai, against our Company and others for non-compliance with requirements under the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, which include, among others, (i) failure to seek registration of the store at Dombiwali, (ii) failure to maintain a register of building workers employed, (iii) failure to maintain a register of overtime, and (iv) failure to issue wage book to each of the building workers. The matter is currently pending.

18. Our Company has filed an application before the Industrial Court, Thane against G. Kuruppan, Recovery Officer, ESIC (the "Opponent") and Grand Foundry Limited ("GFL") against the show cause notice received issued by the Applicant to our Company (the "Notice"), directing our Company to pay oustanding employee state insurance dues (the "ESI dues") owed by GFL under the ESIC Act with respect to a property which was assigned by GFL to our Company. ESIC issued a notice for payment of the revised amount of ₹ 2.88 million and simultaneously attached the bank account of our Company for the amount of ₹ 2.88 million. Our Company sought relief before the Industrial Court, Maharashtra at Thane against transfer of ₹ 2.88 million from our Company's bank account by the ESIC. The Industrial Court, Maharashtra at Thane passed an order directing ESIC to deposit ₹ 2.88 million recovered from our Company in the office of Thane and to invest the aforesaid amount with appropriate nationalised bank as fixed deposit for one year and the amount to be refunded to the party in whose favour the final order is passed.

Aggrieved by this order, the Opponent has filed an appeal before the Bombay High Court. The Bombay High Court set aside the order passed by the Industrial Court, Maharashtra at Thane and held that the recovery proceedings undertaken by ESIC was in accordance with law. The matter is currently pending.

19. Our Company has filed a petition before the Aurangabad bench of the Bombay High Court against the order passed by the Jalgaon Stamp Office against our Company for payment of deficit in stamp duty paid in relation to purchase of a property at Jalgaon. The aggregate amount involved in the matter is ₹ 6.31 million. The matter is currently pending.

Tax proceedings

Direct Tax matters

14 direct tax matters involving our Company are pending before various forums such as the Commissioner of Income Tax (Appeals) and the Bombay High Court involving an aggregate amount of ₹118.53 million, in relation to, among others, disallowance of delayed payments made for employees' contribution to EPFO and ESIC and disallowance of expenditure for payment of penalties and fines and non payment of tax on the premium rent paid by our Company to City Industrial Development Corporation and short deduction of TDS and late payment of interest. The matters are currently pending.

Indirect Tax matters

10 indirect tax matters involving our Company are pending before various forums such as the Maharashtra Sales Tax Tribunal and the Assistant Commissioner of Service Tax, involving an aggregate amount of ₹53.14 million in relation to, among others, rejection of VAT and service tax refund claims and levy of service tax on maintenance and repair services, non-payment of customs duty on purchase of software and non payment of property tax. The matters are currently pending.

Outstanding litigation involving an amount exceeding ₹ 32.06 million or outstanding litigation which are otherwise considered material by our Company

20. Our Company filed a special leave application before the Supreme Court against Nischint Bhalla and others (the "Respondents") in relation to purchase of a property along with the building at Chembur (the "Property") by our Company for the total consideration of ₹ 201.50 milion. Durga Devi Hitkari was the owner of various properties in Mumbai including the Property. There was a dispute between heirs of Durga Devi Hitkari including the Respondents and a suit had been filed by the heirs before the Bombay High Court against the Respondents and others for partition of the Property and other properties and appointment of a receiver for the properties. The Bombay High Court passed an order restraining the Respondents and others from creating any third party interest on various properties including the Property. Against the aforesaid order, the Respondents and others filed a special leave petition before the Supreme Court. The Supreme Court disposed off the special leave petition upon the consent terms being filed by the parties.

Pursuant to the consent terms, the Bombay High Court allowed the Respondents to sell the Property. In a bid conducted for the Property, our Company was the highest bidder and was accepted by the parties. Given that there was a delay in execution of relevant agreements, the Respondents filed a notice of motion before the the single judge bench of the Bombay High Court and the single judge bench confirmed the sale of Property process and directed execution of related documents. This order was challenged by certain parties before the division bench of the

Bombay High Court. Whilst the matter was pending before the division bench of the Bombay High Court, an oral application was made by the Respondents for withdrawal of the notice of motion filed with the division bench of the Bombay High Court. The division bench of the Bombay High Court allowed the notice of motion while holding that the order of the single judge bench which had confirmed sale of Property process did not survive rendering the appeal before the division bench of the Bombay High Court infructuous.

With respect of the aforesaid order of the division bench of the Bombay High Court, our Company filed a special leave application before the Supreme Court challenging the order. The Supreme Court has set aside the order passed by the division bench of the Bombay High Court and directed the Bombay High Court to decide the appeal afresh on merits. The aggregate amount involved in the matter is ₹ 201.50 million. The matter is currently pending before the Bombay High Court.

21. Pramod Walmandhare and others (the "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 possesion of the Property was allegedly with the Petitioner. The Property had been sold by the Petitioners to our Company. The matter is pending.

22. Our Company has filed a writ petition before the Andhra Pradesh High Court against Andhra Pradesh Rajiv Swagruha Corporation Limited and others (the "Respondents") in relation to a property at Bandlaguda Village, Ranga Reddy district, Telangana (the "Property"), which was purchased by our Company pursuant to an open auction for a total consideration of ₹36.01 million. The auction notice had indicated that the Property was a part of Sahabhavana township and accordingly, would be eligible for receiving construction approval from competent authorities for commercial purposes. However, the Greater Hyderabad Municipal Corporation issued a letter to our Company informing that the proposal for construction of commercial building was not covered under any approved layout and accordingly, our Company was restrained from undertaking any construction till the specific sanction was obtained. The matter is pending.

Outstanding litigation involving an amount less than ₹ 32.06 million

In addition to the above, our Company is involved in certain matters which involves cause of action such as consumer complaints relating to products, labour related disputes and property related disputes including in relation to the transfer of development rights and failure in strengthening structure of a transferred property.

B. Litigation by our Company

Criminal proceedings

Our Company has filed six FIRs which are pending before various forums such as the Chief Metropolitan Magistrate's Court, Metropolitan Magistrate' Court, Judicial Magistrate First Class' Court and Vejalpur Police Station involving theft of money and goods. Our Company has recovered the stolen money and goods in four of these matters. The amount involved in the other two matters is ₹0.17 million. The matters are currently pending.

Outstanding litigation involving an amount exceeding ₹ 32.06 million or outstanding litigation which are otherwise considered material by our Company

Shopper's Delight Private Limited (a company which amalgamated with our Company in 2004) has filed a petition before the Bombay High Court against Lakeview Developers and others, alleging non-transfer of a property at Powai which was agreed to be sold to our Company by a letter of confirmation. Our Company had received a letter of confirmation for sale of a portion of the Property from Lakeview Developers after a token amount of ₹0.5 million was paid by our Company and the remaining consideration of ₹ 29.50 million was payable upon execution of a memorandum of understanding. Based on the letter of confirmation, our Company had undertaken certain internal construction and renovation and commenced operations on certain portions of the Property. However, Lakeview Developers did not execute the memorandum of understanding and did not obtain necessary approvals and failed to handover the Property. The aggregate amount involved in the matter is ₹ 30.00 million. The matter is currently pending.

II. Inquiries, inspections or investigations, fines and offences compounded under the Companies Act

Our Company, certain Directors of our Company and the Company Secretary of our Company, have filed a compounding application with the RoC on August 1, 2016 for failing to appoint an independent director on the Board for the period between April 1, 2015 till May 16, 2016. The matter is currently pending.

In addition, there has been certain instances of delay in filing of forms with the RoC by our Company in the ordinary course in relation to various corporate actions such creation of charge and accordingly, our Company has paid penalties for such delays in the past.

III. Litigation involving our Subsidiaries

Litigation filed against AFPPL

Criminal proceedings

P Murthy Raju, Food Safety Officer, West Zone, Greater Hyderabad Municipal Corporation, ("the Complainant"), filed a criminal complaint before the Metropolitan Magistrate's Municipal Court, Chudibazar against officers of AFPPL, alleging misbranding of a sample of a product "Nestle Milk and Toned Milk" resulting in violation of the FSS Act and FSS Regulations. Thereafter, AFPPL has filed a discharge application contending that AFPPL is not in the business of sale of fast moving consumer goods. Pursuant to this, an order was passed dismissing the discharge application. The matter is currently pending.

Actions by regulatory/ statutory authorities

Two applications have been filed by the food safety officers against ARTPL which are pending before the Food and Drugs Administration, Thane, alleging violations of the FSS Regulations on grounds of misbranding and substandard products with respect of certain products sold by ARTPL. The matters are currently pending.

Tax matters

Three direct matters involving AFPPL are pending before income tax authorities with respect to short deduction of TDS and late payment of interest for Fiscals 2011, 2014 and 2015 involving an aggregate amount of ₹ 0.02 million.

Two indirect tax matters involving AFPPL are pending before the Deputy Commissioner of Sales Tax involving an aggregate amount of ₹ 6.10 million in relation to claims under the MVAT Act, 2002 and the CST Act, 1956. The matters are currently pending.

Litigation filed against ARTPL

Tax matters

Six direct matters involving ARTPL are pending before income tax authorities with respect to short deduction of TDS and late payment of interest for each of Fiscals 2010 to 2015 involving an aggregate amount of ₹ 0.32 million. The matters are currently pending.

IV. Litigation involving our Promoters

Litigation involving Radhakishan S. Damani

Actions by regulatory/ statutory authorities

The Regional Director, Western Region, Department of Company Affairs, Ministry of Law (the "Regional Director") issued a show cause notice to our Promoter, Radhakishan S. Damani, for alleged violations of the Companies Act, 1956 on grounds of applying for a duplicate DIN. Our Promoter has filed a reply indicating that the application was made for a designated partnership identification number in anticipation of incorporating a limited liability partnership. The matter is currently pending.

Litigation or legal action pending or taken against Radhakishan S. Damani by any Ministry or Department of the Government department or a statutory authority during the last five years

1. Damani Shares and Stocks Brokers Private Limited ("DSSBPL"), where Radhakishan S. Damani and Ramakant Baheti hold directorship, had received six notices from the Regional Director with respect to certain non-compliance with the provisions of the Companies Act, 1956 during the period between Fiscals 1998 and 2002 relating to *inter alia* undertaking transactions on behalf of related parties without obtaining prior approval of the Central Government, non-appointment of a full time company secretary, not maintaining register of transactions in which directors were interested, non-disclosure of interest in other bodies corporate in the meetings of the board meeting, not maintaining a dispatch register for physical dispatch of its share certificates. The Company Law Board has passed orders for compunding of these non-compliances and these matters have been disposed off by the relevant courts in the preceding five years.

2. DEFPL, where Radhakishan S. Damani, Shrikantadevi R. Damani and Ramakant Baheti hold directorship, had received five notices from the Regional Director with respect to certain non-compliance with the provisions of the Companies Act, 1956 during the period between Fiscals 1997 and 2000 relating to *inter alia* non-disclosure of dues to small scale undertakings and details of opening stocks, purchases, sales and closing stocks in its financial statements, non-disclosure of general reserve in its director's report, non-inclusion of page numbers in the minutes of its board meeting and non-maintenance of register for interest of directors. The Company Law Board has passed orders for compunding of these non-compliances and these matters have been disposed of by the relevant courts in the preceding five years.

Litigation involving Gopikishan S. Damani

Actions by regulatory/ statutory authorities

1. Avenue Stock Brokers (India) Private Limited ("ASBIPL"), where Gopikishan S. Damani and Kirandevi G. Damani hold directorship, had received two notices from the Regional Director with respect to certain non-compliance with the provisions of the Companies Act, 1956 during the period between Fiscals 1997 and 2002 relating to *inter alia* non-disclosure of necessary facts in connection with remuneration payable to its auditors in the minutes of its board meetings and not obtaining confirmation of balances from sundry debtors and creditors in certain cases. The Company Law Board has passed orders for compunding of these non-compliances and these matters are pending before the Metropolitan Magistrate.

2. Maheshwari Equity Brokers Private Limited ("MEBPL"), where Gopikishan S. Damani and Kirandevi G. Damani hold directorship, had received a notice from the Regional Director for not disclosing 62% shareholding of Champak Stock Brokers Private Limited in MEBPL, quantitative data disclosed relating to opening stock, purchases, sales and closing stock and not obtaining confirmation sundry debtors and creditors in certain cases during Fiscal 2000 and non-disclosure of SEBI turnover fees as contingent liabilities during Fiscals 1998, 1999 and 2000. The Company Law Board has passed an order for compounding and the matter is pending before the Metropolitan Magistrate.

Litigation or legal action pending or taken against Gopikishan S. Damani by any Ministry or Department of the Government department or a statutory authority during the last five years

1. ASBIPL had received two notices from the Regional Director with respect to certain non-compliance with the provisions of the Companies Act, 1956 during the period between Fiscals 1998 and 2002 and meeting of its board in 1994 relating to *inter alia* non-appointment of a company secretary and delegation of power by the board of directors to certain directors for making loans and borrowing money. The Company Law Board has passed orders for compunding of these non-compliances and these matters have been disposed off by the relevant courts in the preceding five years.

2. MEBPL has received a notice for non-appointment of a company secretary during Fiscals 1998 and 2002. The Company Law Board passed an order for compounding of this non-compliance in 2011 and the matter was disposed off in 2013.

Litigation involving Shrikantadevi R. Damani

For details regarding litigation involving Shrikantadevi R. Damani, see "- *Litigation involving our Promoters*" on page 191.

Litigation involving Kirandevi G. Damani

For details regarding litigation involving Kirandevi G. Damani, see "- *Litigation involving our Promoters*" on page 192.

Litigation involving Bright Star

Actions by regulatory/ statutory authorities

1. RBI issued a notice to Bright Star for breach of Section 45-IA of the RBI Act for carrying out the business of an NBFC without obtaining the necessary certificate of registration (the "Notice"). Bright Star has responded to the Notice indicating that while based on the quantum of financial assets and income from such financial assets, it qualifies to be an NBFC within the purview of Section 45-IA of the RBI Act, Bright Star utilizes its proprietary funds for its business purposes only and has not issued any debentures or raised money through public issuance, or accepted any public deposits within the meaning of Section 58A and 58AA of the Companies Act, 1956 or the Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998. Further, Bright Star also indicated that it has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Subsequently, Bright Star has filed a reply indicating its intention of a proposed

merger with DEFPL pursuant to which the resultant company would obtain registration as an NBFC under Section 45-IA of the RBI Act.

2. The Regional Director issued a notice to Bright Star alleging acceptance of deposits which was in contravention of the provisions of Section 58A of the Companies Act, 1956. In this regard, Bright Star is yet to file a discharge application supported by an affidavit under the Companies (Acceptance of Deposits) Rules, 2014.

Litigation or legal action pending or taken against Bright Star by any Ministry or Department of the Government department or a statutory authority during the last five years

Bright Star, where Radhakishan S. Damani, Gopikishan S. Damani and Shrikantadevi R. Damani hold directorship, had received five notices from the Regional Director with respect to certain non-compliance with the provisions of the Companies Act, 1956 during the period between Fiscals 1997 and 2002 relating to *inter alia* non-disclosure of certain details including transfer of certain amounts to general reserve in the Director's Report, non-disclosure of opening stock, purchases, sales and closing stock and details of interest due but not paid on secured loans in the financial statements, non-disclosure of details of unsecured loan in the register and non-inclusion of page numbers in the minutes of certain board meetings. The Company Law Board has passed orders for compunding of these non-compliances and these matters have been disposed off by the relevant courts in the preceding five years.

Direct Tax Matters

Two direct tax matters involving Bright Star are pending before various income tax authorities involving an aggregate amount of ₹1.03 million in relation to disallowance of certain items for assessment years 2010 and 2011.

Litigation involving DEFPL

Actions by regulatory/ statutory authorities

1. RBI issued a notice to DEFPL for breach of Section 45-IA of the RBI Act for carrying out the business of an NBFC without obtaining the necessary certificate of registration (the "Notice"). DEFPL has responded to the Notice indicating that while based on the quantum of financial assets and income from such financial assets, it qualifies to be an NBFC within the purview of Section 45-IA of the RBI Act, DEFPL utilizes its proprietary funds for its business purposes only and has not issued any debentures, or raised money through public issuance, or accepted any public deposits within the meaning of Section 58A and 58AA of the Companies Act, 1956 or the Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998. Further, DEFPL also indicated that it has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Subesequently, DEFPL has sought the guidance of the RBI in order to obtain registration as an NBFC under Section 45-IA of the RBI Act. DEFPL has stated that since DEFPL is a registered sub-broker with SEBI, DEFPL is exempted from the requirements of Section 45-IA of the RBI Act, 1934 in accordance with the Master Direction DNBR.PD.001/03.10.119/2016-17. The matter is currently pending.

2. The Office of the Regional Director, Western Region, Department of Company Affairs, Ministry of Law issued a notice to DEFPL alleging acceptance of deposits which was in contravention of the provisions of Section 58A of the Companies Act, 1956. In this regard, DEFPL is yet to file a discharge application supported by an affidavit under the Companies (Acceptance of Deposits) Rules, 2014.

Direct tax matters

Three direct tax matters involving DEFPL are pending before various forums such as the Commissioner of Income Tax (Appeals) and the Bombay High Court involving an aggregate amount of ₹5.64 million in relation to disallowance of expenditures on exempt income for assessment years 2009, 2010 and 2012. The matters are currently pending.

Litigation or legal action pending or taken against DEFPL by any Ministry or Department of the Government department or a statutory authority during the last five years

For details regarding litigation involving DEFPL pending or taken by any Ministry or Department of the Government department or a statutory authority during the last five years, see " - *Litigation involving our Promoters*" on page 191.

V. Litigation involving our Directors

Litigation involving Ignatius Navil Noronha

For details regarding litigation involving Ignatius Navil Noronha, see " - *Litigation involving our Company - Litigation filed against our Company - Criminal Proceedings*" on page 187.

Litigation involving Ramakant Baheti

For details regarding litigation involving Ramakant Baheti, see " - *Litigation involving our Company - Litigation filed against our Company - Criminal Proceedings*" on page 187 and " - *Litigation involving our Promoters*" on page 191.

Litigation involving Ramesh S. Damani

For details regarding litigation involving Ramesh S. Damani, see " - *Litigation involving our Company - Litigation filed against our Company - Criminal Proceedings*" on page 187.

Small scale undertakings or any other creditors

As of March 31, 2016, our Company had outstanding dues (trade payables) aggregating to ₹8.04 million owed to 34 micro enterprises and small enterprises. There are no disputes with such entities in relation to payments to be made to them. Further, with respect to other creditors, as of March 31, 2016, our Company owed outstanding dues (trade payables) of ₹ 1,910.17 million to other creditors out of which outstanding dues (trade payables) exceeded ₹19.10 million to five creditors and outstanding dues (trade payables) to such creditors aggregated to ₹168.98 million. The details pertaining to amounts due towards such creditors are available on the website of our Company at the following link: http://dmartindia.com/investor-relationship. The details in relation to such creditors and amount payable to each such creditor available on the website of our Company do not form a part of this Draft Red Herring Prospectus. Any person relying on the information disclosed on the aforesaid link shall rely at their own risk.

Material Developments

For details of material developments post March 31, 2016, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 182.

GOVERNMENT AND OTHER APPROVALS

We have set out below an indicative list of approvals obtained by us for certain of our stores, distribution centres and packing centres which are material and necessary for undertaking our business. The indicative list set out below does not include Issue and incorporation related approvals which are set out in "Other Regulatory and Statutory Disclosures - Authority for the Issue" on page 198. In view of these approvals, our Company can undertake this Issue and its current business activities. Unless stated otherwise, we have obtained necessary approvals from the relevant government authorities with respect to such stores, distribution centres and packing centres and such approvals are valid as of date of this Draft Red Herring Prospectus.

In relation to certain of our stores, distribution centres and packing centres which are material and necessary for undertaking our business, we have also disclosed below (i) approvals applied for but not received; (ii) approvals expired and renewal to be applied for; and (iii) approvals which are required but not obtained or applied for.

Approvals in relation to the Issue

For details regarding the approvals and authorisations obtained by our Company in relation to the Issue, see "*Other Regulatory and Statutory Disclosures - Authority for the Issue*" on page 198.

Approvals in relation to incorporation

For details regarding the approvals and authorisations obtained by our Company and Subsidiaries in relation to the incorporation, see "*History and Certain Corporate Matters*" and "*Our Subsidiaries*" beginning on pages 134 and 136, respectively.

Approvals applicable at our Company level

1. **Employee and Labour related approvals**

   Registrations under various employee and labour related laws including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, ESIC Act, Factories Act, 1948 and the Contract Labour (Regulation and Abolition) Act, 1970.

2. **Tax related approvals**

   Various tax related approvals including permanent account number, service tax registration issued under the Finance Act, 1994 by the Central Board of Excise and Customs under the Central Excise Department, registration as a dealer under the Central Sales Tax Act, 1956, registration for local body tax under the Mumbai Municipal Corporation Act, 1888 and the Bombay Provincial Municipal Corporation Act, 1949, registration under state legislations for tax on professions, trades and callings and employment and VAT and sales tax related registrations in the states where we operate.

3. **Other approvals**

   (a) Central license issued by the Central Licensing Authority under the FSS Act to our Company;

   (b) Certificate of importer-exporter code issued by the Ministry of Commerce and Industry;

   (c) Certificate of registration of establishment issued by the Office of the Inspector under relevant shops and establishment legislations of the respective states in which our offices are located;

   (d) No objection certificate issued by the fire department of the local municipal corporations of the respective states in which our offices are located; and

   (e) License to operate the lift issued by the Industry, Energy and Labour Department of the states in which our offices are located.

   Some of the approvals set out above are also applicable to our stores, distribution centres and packing centres such as certificate of registration under relevant shops and establishment legislations, fire license issued by local municipal corporations of the respective states and license to operate the lift issued by the Industry, Energy and Labour Department.

   Approvals applicable at our store, distribution centre and packing centre level

   (a) License to operate our stores for 365 days issued under relevant shops and establishment legislations of the respective states in which our stores are located;

(b) Licenses issued by the Food and Drug Administration of the respective states in which our stores, distribution centres and packing centres are located under the FSS Act for the purposes of operating as a (i) retailer; (ii) wholesaler, (iii) repacker (iii) food business operator; (iv) food transporter; (v) processor (including sorting and grading); (vi) manufacturer; and (vii) for storage and warehouse;

(c) Licenses issued by the Legal Metrology Departments of the respective states in which our stores, distribution and packing centres are located under the Legal Metrology Act, 2009 for weighing scale calibration;

(d) Packing license issued by the Legal Metrology Departments of the respective states in which our distribution centres and packing centres are located under the Legal Metrology Act, 2009;

(e) Repacking license issued by the Food and Civil Supplies Department of the respective states in which our stores are located under the ECA;

(f) Rationing license issued by the Food, Civil Supplies and Consumer Protection Department of the respective states in which our stores, distribution centres and packing centres are located under the ECA;

(g) Advertisement license issued by the local municipal corporations of the respective states in which our stores are located for use of hoardings;

(h) Diesel generator set registration issued by the Office of Electrical Inspector of the states in which our stores, distribution and packing centres are located;

(i) License issued by the Director of Agricultural Marketing under relevant agricultural produce marketing legislations of the respective states where our distribution centres are located for (i) operating in more than one market area as a trader; and (ii) license for direct marketing of agricultural produce; and

(j) Consent to operate issued by the pollution control boards of the respective states in which our packing centres are located with respect to discharge of trade effluents and emissions under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 framed under the Environment Protection Act, 1986.

Approvals applicable at the product level

(a) Trade operations licenses issued by the local municipal corporations of the states in which our stores are located prescribing permissible limits for storing certain products for sale such as milk, plastic goods, edible oil, eatables, etc.;

(b) Storage license issued by the respective municipal corporations with respect to storage of certain products;

(c) Wholesale Dealer license issued by the Food and Civil Supplies Department of the respective states under the ECA with respect to sale of certain products;

(d) License to sell, stock or exhibit for sale or distribution of insecticides issued by the Agriculture Officer under the Insecticides Act, 1968; and

(e) License to sell, stock or exhibit for sale or distribution of drugs issued by the Drugs Control and Licensing Authority under the Drugs and Cosmetics Act, 1940.

Approvals applied for but not received

(a) Application dated December 15, 2015 pending with the Chief Fire Inspector, Mira Bhayandar Municipal Corporation, for renewal of fire license for our store located in Mira Road;

(b) Application dated August 8, 2016 pending with the Deputy Labour Comissioner, Karmika Bhavana for license to operate for 365 days under the Karnataka Shops and Commercial Establishments Act, 1961 for our store located in Bommasandra;

(c) Application dated September 30, 2015 pending with the Labour and Employment Department, Gujarat for license to operate for 365 days under the Gujarat Shops and Establishments Act, 1946 for our store located in Makarpura; and

(d) Application for amendment to registation under the Contract Labour Act for five of our stores including stores located at Airoli and Seawood.

Approvals expired and renewal to be applied for

(a) Registrations under the Contract Labour Act for eight of our stores including our stores located at PCMC and Keonics;

(b) No objection certificate issued by the fire department of the local municipal corporations of the respective states for 11 of our stores including stores located at Thane and Rajendra Nagar;

(c) Consent to operate issued by the Maharashtra Pollution Control Board under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 framed under the Environment Protection Act, 1986 for one of our packing centres at Turbhe;

(d) Trade license issued by the municipal corporation for our store at Siddapura;

(e) Storage license issued by the municipal corporations of the respective states for six of our stores including stores located at Koparkhairne and Makarpura;

(f) Rationing license issued by the Food, Civil Supplies and Consumer Protection Department for our stores at Seawood and Dahisar; and

(g) Certificate of registration of establishment issued under the applicable Shops and Establishment legislation for our store at New Panvel.

Approvals required but not obtained or applied for

(a) Registrations under the Contract Labour Act for three of our stores including stores at Airoli and Kakinada;

(b) No objection certificate issued by the fire department of the local municipal corporations of the respective states issued by local municipal corporations of the respective states for nine of our stores including stores located at Bommasandra and Vasai;

(c) License to sell, stock or exhibit for sale or distribution of insecticides issued by the Agriculture Officer under the Insecticides Act, 1968 for six of our stores including stores located at Sanatnagar and Kakinada;

(d) Trade operations license issued by the local municipal corporation for our store at Bhopal;

(e) Pollution related approvals for installation and maintenance of diesel generator set for two distribution centres and two packing centres at Turbhe; and

(f) Registration issued by the Office of Electrical Inspector for operation of diesel generator sets for 12 of our stores, distribution centres and packing centres including our store at Versova and distribution centre centre at Antariksh.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board passed at their meeting held on July 23, 2016 and the Shareholders have approved the Issue pursuant to a special resolution passed at the AGM of our Company held on September 16, 2016.

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

For details with respect to restrictions on participation in the Issue, see "*Issue Procedure*" and "*Restrictions on Foreign Ownership of Indian Securities*" beginning on pages 223 and 262.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, natural persons in control of our corporate Promoters, our Directors, the members of the Promoter Group, Group Companies have not been debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoters or our Directors are or were associated as promoters, directors or persons in control have not been debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Other than Ramesh S. Damani who is the promoter and a director of Ramesh S Damani Finance Private Limited and Ramakant Baheti who is a director of DEFPL, none of our Directors are associated with the securities market in any manner.

There has been no action taken by SEBI against our Directors or any entity in which our Directors are involved in as promoters or directors.

The listing of any securities of our Company and our Subsidiaries has never been refused at any time by any of the Stock Exchanges in India or abroad.

Prohibition by RBI

Neither our Company nor our Promoters, relatives (as defined under Companies Act) of our Promoters, Directors and Group Companies have been identified as Wilful Defaulters.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI Regulations as set out under the eligibility criteria calculated in accordance with the Restated Financial Information prepared in accordance with the Companies Act and restated in accordance with the SEBI Regulations:

- Our Company has net tangible assets of at least ₹30 million in each of the preceding three full years (of 12 months each), of which not more than 50% of the net tangible assets are held as monetary assets;
- Our Company has a minimum average pre-tax operating profit of ₹150 million calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;
- Our Company has a net worth of at least ₹10 million in each of the three preceding full years (of 12 months each);
- The aggregate size of the proposed Issue and all previous issues made in the same Financial Year is not expected to exceed five times the pre-Issue net worth as per the audited balance sheet of our Company for the year ended March 31, 2016; and
- Our Company has not changed its name within the last one year.

Our Company's pre-tax operating profit, net worth, net tangible assets, monetary assets and monetary assets as a percentage of the net tangible assets derived from the Restated Financial Information included in this Draft Red Herring Prospectus as at, and for the last five years ended March 31 are set forth below:

(*₹ in Million, unless otherwise stated*)

Particulars	Financial year ended March 31, 2016		Financial year ended March 31, 2015		Financial year ended March 31, 2014		Financial year ended March 31, 2013		Financial year ended March 31, 2012	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net Tangible Assets, as restated	15,076.82	15,160.87	11,889.49	11,952.27	9,466.77	9,519.63	7,829.52	7,864.63	6,776.85	6,799.24
Monetary Assets, as restated	328.86	353.98	360.70	382.50	519.20	554.15	588.97	616.22	446.53	479.21
Monetary Assets, as restated as a % of net tangible assets, as restated	2.18%	2.33%	3.03%	3.20%	5.48%	5.82%	7.52%	7.84%	6.59%	7.05%
Pre-tax Operating Profit, as restated	5,602.72	5,685.02	3,720.02	3,768.23	2,790.41	2,848.22	1,650.56	1,692.54	979.43	1,010.96
Net Worth	15,118.58	15,204.27	11,929.41	11,992.20	9,502.95	9,555.83	7,860.35	7,895.47	6,794.58	6,816.97

Source: Restated Financial Information

(i) Net tangible assets means the sum of all net assets of our Company excluding deferred tax assets/liability (net) and intangible assets as per Accounting Standard 22 and Accounting Standard 26, respectively, as defined under Companies (Accounting Standards) Rules, 2014 (as amended);

(ii) Monetary Assets include cash on hand, cheques in hand and balance with banks (including the deposit accounts);

(iii) 'Pre-tax operating profit', is Profit Before Tax excluding Other income and finance costs, are considered post restatement adjustments on account of changes in other material adjustments;

(iv) Net worth has been compauted as the aggregate of share capital and reserves and surplus (including securities premium, share option outstanding account, debenture redemption reserve and surplus/ (deficit) of our Company);

(v) Monetary Assets as restated as a percentage of the net tangible assets means Monetary Assets as restated divided by net tangible assets, as restated, expressed as a percentage.

Financial Years 2016, 2015 and 2014 are the three most profitable years out of the immediately preceding five Financial Years in terms of our Restated Financial Information.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI Regulations, to the extent applicable.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE LEAD MANAGERS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, AXIS CAPITAL LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED, HDFC BANK LIMITED, ICICI SECURITIES LIMITED, INGA CAPITAL PRIVATE LIMITED, JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED, MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED AND SBI CAPITAL MARKETS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 29, 2016 WHICH READS AS FOLLOWS:

WE, THE LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY CONFIRM THAT:**

   (A) THIS DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

   (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

   (C) THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. <u>NOTED FOR COMPLIANCE</u>**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THIS DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS DRAFT RED HERRING PROSPECTUS .<u>COMPLIED WITH</u>**

6. **WE CERTIFY THAT REGULATION 33 OF THE SEBI REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS. <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSES (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. <u>NOT APPLICABLE</u>**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE**

VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE ISSUE WILL BE ISSUED IN DEMATERIALISED FORM ONLY.**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS:**

    (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

    (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI REGULATIONS WHILE MAKING THE ISSUE. NOTED FOR COMPLIANCE**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC. COMPLIED WITH**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. COMPLIED WITH**

16. **WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR. COMPLIED WITH**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY REPORTED AS PER THE ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY AND INCLUDED IN THE DRAFT RED HERRING PROSPECTUS**

18. **WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SEBI REGULATIONS (IF APPLICABLE). NOT APPLICABLE**

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company and any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of Companies Act, 2013, or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Issue. SEBI further reserves the right to take up at any point of time, with the Lead Managers, any irregularities or lapses in this Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30 and 32 of the Companies Act, 2013.

Caution - Disclaimer from our Company and the Lead Managers

Our Company, our Directors and the Lead Managers accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.dmartindia.com or the respective websites of our Subsidiaries or our Group Companies would be doing so at his or her own risk.

The Lead Managers accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement.

All information shall be made available by our Company and the Lead Managers to the public and investors at large and no selective or additional information would be made available by our Company or the Lead Managers for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither our Company nor any member of the Syndicate shall be liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Lead Managers and their associates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.

Disclaimer in respect of Jurisdiction

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as "QIBs") pursuant to Rule 144A or another available exemption from the registration requirements of the Securities Act, and (ii) outside the United States only in offshore transactions in reliance on Regulation S under the Securities Act and pursuant to the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of this Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Issue) may violate the registration requirements of the Securities Act unless made pursuant to Rule 144A or another available exemption from the registration requirements of the Securities Act and in accordance with applicable state securities laws.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to this Issue within the United States, by its acceptance of the Draft Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with the Company and the Managers that it has received a copy of the Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Issue in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Equity Shares offered pursuant to this Issue have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

(3) the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a qualified institutional buyer with respect to which it exercises sole investment discretion;

(4) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

(5) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act, (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder, if available, or (iv) pursuant to another available exemption from the registration requirements of the Securities Act and (B) in each case in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them;

(6) the Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;

(7) the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act;

(8) the purchaser is not acquiring the Equity Shares as a result of any form of “general solicitation” or “general advertising” (within the meaning of Rule 502(c) of Regulation D under the Securities Act);

(9) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (4) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THE EQUITY SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE EQUITY SHARES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE EQUITY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK.

(10) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

(11) the purchaser acknowledges that the Company, the Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in this Issue

Each purchaser that is acquiring the Equity Shares offered pursuant to this Issue outside the United States, by its acceptance of the Draft Red Herring Prospectus and of the Equity Shares offered pursuant to this Issue, will be deemed to have acknowledged, represented to and agreed with the Company and the Managers that it has received a copy of the Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Issue in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Equity Shares offered pursuant to this Issue have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

(3) the purchaser is purchasing the Equity Shares offered pursuant to this Issue in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;

(4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Issue, was located outside the United States at the time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United Sates or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

(5) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

(6) the purchaser is not acquiring the Equity Shares as a result of any “directed selling efforts” (within the meaning of Rule 902(c) of Regulation S under the Securities Act);

(7) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

(8) the purchaser acknowledges that the Company, the Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

In relation to each EEA State that has implemented the Prospectus Directive (Directive 2003/71/EC) (each, a “Relevant Member State), an offer to the public of any Equity Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors), subject to obtaining the prior consent of the Underwriters; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Equity Shares shall result in a requirement for the Company or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive and each person who receives any communication in respect of, or who acquires any Equity Shares under, the offers contemplated in this Draft Red Herring Prospectus will be deemed to have represented, warranted and agreed to with the Underwriter and the Company that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

In the case of any Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Equity Shares acquired by it in the offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public in a Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the Relevant Member State, all in accordance with the Prospectus Directive, other than their offer or resale to qualified investors or in circumstances in which the prior consent of the Underwriters has been obtained to each such proposed offer or resale.

The Company, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporate Finance Department, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC at the Office of the Registrar of Companies at 100, Everest, Marine Drive, Mumbai - 400 002.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company, and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within six Working Days from the Bid/Issue Closing Date.

If our Company does not Allot Equity Shares pursuant to the Issue within six Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by SEBI, it shall repay, without interest, all monies received from the Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Price information of past issues handled by the Lead Managers

A. *Kotak*

1. Price information of past issues handled by Kotak:

Sr. No.	Issue Name	Issue size (in ₹ crore)	Issue price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	L&T Technology Services Limited	894.40	860	September 23, 2016	920.0	-	-	-
2.	RBL Bank Limited	1,212.97	225	August 31, 2016	274.2	-	-	-
3.	Larsen & Toubro Infotech Limited(1)	1,236.38	710	July 21, 2016	667	-6.39%[+1.84%]	-	-
4.	Mahanagar Gas Limited(2)	1,038.88	421	July 1, 2016	540	+20.86% [+3.72%]	+57.15%[+5.00%]	-
5.	Parag Milk Foods Limited(3)	750.54	215	May 19, 2016	217.50	+17.07% [+4.97%]	+48.67%[+11.04%]	-
6.	Ujjivan Financial Services Limited	882.50	210	May 10, 2016	231.90	+72.38% [+4.88%]	+120.90% [+10.08%]	-
7.	Healthcare Global Enterprises Limited	649.64	218	March 30, 2016	210.20	-15.32% [+1.45%]	-19.98% [+4.65%]	-1.31%[+14.17%]
8.	Dr. Lal PathLabs Limited(4)	631.91	550	December 23, 2015	720.00	+32.54% [-7.49%]	+66.95% [-2.06%]	+63.13% [+3.87%]
9.	S H Kelkar and Company Limited	508.17	180	November 16, 2015	223.70	+21.69% [-1.35%]	+20.78% [-10.58%]	+24.97% [+0.11%]
10.	Interglobe Aviation Limited(5)	3,008.50	765	November 10, 2015	855.80	+32.39% [-2.20%]	+7.76% [-5.09%]	+40.59% [-0.64%]
11.	Coffee Day Enterprises Limited	1,150.00	328	November 2, 2015	317.00	-21.42% [-1.19%]	-19.73% [-6.05%]	-20.98% [-2.50%]
12.	Sadbhav Infrastructure Project Limited	491.66	103	September 16, 2015	111.00	-2.28% [+3.55%]	-5.63% [-3.15%]	-12.67% [-4.92%]
13.	Power Mech Projects Limited	273.22	640	August 26, 2015	600.00	-9.36% [+0.98%]	-4.63% [+0.74%]	-10.65% [-7.15%]
14.	Manpasand Beverages Limited	400.00	320	July 9, 2015	300.00	+23.20% [+2.83%]	+36.53% [-2.11%]	+58.34% [-6.45%]
15.	Adlabs Entertainment Limited(6)	374.59	180	April 6, 2015	162.20	-18.36% [-3.87%]	-12.08% [-2.02%]	-38.39% [-8.19%]
16.	Ortel Communications Limited	173.65	181	March 19, 2015	160.05	-3.67% [-0.33%]	-5.91% [-6.80%]	+12.21% [-8.83%]

Source: www.nseindia.com

Notes:

1. *In Larsen & Toubro Infotech Limited , the issue price to retail individual investor was ₹ 700 per equity share after a discount of ₹ 10 per equity share. The Anchor Investor Issue price was ₹ 710 per equity share.*

2. *In Mahanagar Gas Limited, the issue price to employees was ₹ 383 per equity share after a discount of ₹ 38 per equity share. The Anchor Investor Issue price was ₹ 421 per equity share.*

3. *In Parag Milk Foods Limited , the issue price to retail individual investor and employees was ₹ 203 per equity share after a discount of ₹ 12 per equity share. The Anchor Investor Issue price was ₹ 227 per equity share.*

4. *In Dr. Lal PathLabs Limited, the issue price to retail individual investor was ₹ 535 per equity share after a discount of ₹ 15 per equity share. The Anchor Investor Issue price was ₹ 550 per equity share.*

5. *In Interglobe Aviation Limited, the issue price to employees was ₹ 688.50 per equity share after a discount of ₹ 76.5 per equity share. The Anchor Investor Issue price was ₹ 765 per equity share.*

6. *In Adlabs Entertainment Limited, the issue price to retail individual investor was ₹ 168 per equity share after a discount of ₹ 12 per equity share. The Anchor Investor Issue price was ₹ 221 per equity share.*

7. *In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.*

8. *Nifty is considered as the benchmark index.*

2. Summary statement of price information of past issues handled by Kotak:

Financial Year	Total No. of IPOs	Total Funds Raised (in ₹ crore)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2017*	6	6,015.67	-	-	1	1	-	2	-	-	-	-	-	-
2016	9	7,487.69	-	-	5	-	2	2	-	1	4	2	1	1
2015	1	173.65	-	-	1	-	-	-	-	-	-	-	-	1

* *The information is as on the date of this Draft Red Herring Prospectus*

B. *Axis Capital*

1. Price information of past issues(during current financial year and two financial years preceding the current financial year) handled by Axis Capital

Sr. No.	Issue name	Issue size (in ₹ million)	Issue price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	RBL Bank Limited	12,129.67	225	August 31, 2016	274.20	-	-	-
2	Dilip Buildcon Limited	6,539.77	219	August 11, 2016	240.00	+5.11%,[+3.20%]	-	-
3	Advanced Enzyme Technologies Limited	4,114.88	896[3]	August 1, 2016	1,210.00	+56.24%,[+1.23%]	-	-
4	Quess Corp Limited	4,000.00	317	July 12, 2016	500.00	+73.60%,[+0.64%]	-	-
5	Ujjivan Financial Services Limited	8,824.96[1]	210	May 10, 2016	231.90	+72.38%,[+4.88%]	+115.38%,[+10.44%]	-
6	Equitas Holdings Limited	21,766.85	110	April 21, 2016	145.10	+34.64%,[-2.05%]	+57.91%,[+7.79%]	-
7	Narayana Hrudayalaya Limited	6,130.82	250	January 6, 2016	291.00	+28.76%,[-4.35%]	+15.86%,[+0.23%]	+25.56,%[+8.13%]
8	Alkem Laboratories Limited[2]	13,477.64	1050	December 23, 2015	1,380.00	+30.34%,[-7.49%]	+28.60%,[-2.06%]	+31.91%, [4.74%]
9	Coffee Day Enterprises Ltd	11,500.00	328	November 2, 2015	317.00	-21.42%,[-1.19%]	-20.76%,[-6.15%]	-20.98%,[-2.50%]
10	Pennar Engineered Building Systems Limited	1,561.90	178	September 10, 2015	177.95	-5.93%,[+5.16%]	-11.26%,[-1.11%]	-17.39%,[-3.89%]

Source: www.nseindia.com

[1] *Company has undertaken a Pre-Ipo Placement aggregating to ₹2,918.39 Million. The size of the fresh issue as disclosed in the draft red herring prospectus dated December 31, 2015, being ₹6,500 Million, has been reduced accordingly.*

[2] *Price for eligible employees was ₹ 950.00 per equity share*

[3] *Price for eligible employees was ₹ 810.00 per equity sha*

Notes:

a. *The CNX NIFTY is considered as the Benchmark Index.*

b. *Price on NSE is considered for all of the above calculations.*

c. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered.*

d. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

2. Summary statement of price information of past issues(during current financial year and two financial years preceding the current financial year) handled by Axis Capital:

Financial Year	Total no. of IPOs	Total funds Raised (in ₹ million)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2017*	6	57,376.13	-	-	-	3	1	1	-	-	-	-	-	-
2016	8	60,375.66	0	0	3	0	4	1	0	0	3	1	2	2
2015	1	3,504.30	0	1	0	0	0	0	0	0	1	0	0	0

* *The information is as on the date of the document*

The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

C. *Edelweiss*

1. Price information of past issues(during current financial year and two financial years preceding the current financial year) handled by Edelweiss:

Serial Number	Issue Name	Issue Size (in ₹ million)	Issue Price (in ₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing
1.	ICICI Prudential Life Insurance Company Limited	60,567.91	334.00	September 29, 2016	330.00	Not applicable	Not applicable	Not applicable
2.	Thyrocare Technologies Limited	4,792.14	446.00	May 09, 2016	665.00	36.85%[5.09%]	22.57%[10.75%]	Not applicable
3.	Equitas Holdings Limited	21,766.85	110.00	April 21, 2016	145.10	34.64%[-2.05%]	57.91%[7.79%]	Not applicable
4.	Healthcare Global Enterprises Limited	6,496.40	218.00	March 30, 2016	210.20	-15.3%; [1.45%]	-19.98%[4.65%]	-1.28%[12.77%]
5.	Alkem Laboratories Limited@	13,477.64	1,050.00	December 23, 2015	1,380.00	30.34%; [-7.49%]	28.60% [-2.06%]	31.91%[4.74%]
6.	Coffee Day Enterprises Limited	11,500.00	328.00	November 2, 2015	317.00	-21.42%; [-1.19%]	-20.76%; [-6.15%]	-20.98%; [-2.50%]
7.	Prabhat Dairy Limited^	3,561.88	115.00	September 21, 2015	113.00	11.78% ; [3.57%]	30.83% [-1.79%]	-5.48%; [-4.67%]
8.	Sadbhav Infrastructure Project Limited	4,916.57	103.00	September 16, 2015	111.00	-2.28%, [3.55%]	-5.63%; [-3.15%]	-14.56%; [-4.56%]
9.	Navkar Corporation Limited	6,000.00	155.00	September 9,2015	152.00	0.97%, [3.97%]	26.00%; [-0.68%]	6.29%; [-4.26%]
10.	Inox Wind Limited*	10,205.34	325.00	April 9, 2015	400.00	28.54%, [-6.68%]	42.42%, [-3.05%]	11.20%, [-7.51%]

Source: www.nseindia.com

@ *Alkem Laboratories Limited - Discount of ₹100 per equity share offered to eligible employees. All calculations are based on offer price of ₹1,050.00 per equity share.*

* *Inox Wind Ltd - Discount of ₹15 per equity share offered to retail investors and eligible employees. All calculations are based on issue price of ₹325.00 per equity share.*

^ *Prabhat Dairy Ltd - Discount of ₹5 per equity share offered to retail investors. All calculations are based on issue price of ₹ 115.00 per equity share.*

Notes:

1. *Based on date of listing.*
2. *% of change in closing price on 30th/ 90th / 180th calendar day from listing day is calculated vs Issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.*
3. *Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.*
4. *The Nifty 50 index is considered as the Benchmark Index*
5. *Not applicable. – Period not completed.*
6. *Disclosure in Table-1 restricted to 10 issues.*

2. Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Edelweiss:

Financial Year	Total number of IPOs	Total amount of funds raised (in ₹ million)	Number of IPOs trading at discount - 30th calendar day from listing			Number of IPOs trading at premium - 30th calendar day from listing			Number of IPOs trading at discount - 180th calendar day from listing			Number of IPOs trading at premium - 180th calendar day from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2017^	3	87,130.90	-	-	-	-	2	-	-	-	-	-	-	-
2016	7	56,157.83	-	-	3	-	2	2	-	-	4	-	1	2
2015	3	8,835.40	-	1	-	2	-	-	-	-	1	2	-	-

^ ***The information is as on the date of the document***

Notes:

1. *Based on date of listing.*
2. *Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.*
3. *The Nifty 50 index is considered as the Benchmark Index*

For the financial year 2016-17 – none of the issues completed 180 days

For the financial year 2015-16 – 180 days period completed for 7 issues

For the financial year 2014-15 total 3 issues were completed. However, disclosure under Table-1 is restricted to 10 issues.

D. HDFC

1. Price information of past issues(during current financial year and two financial years preceding the current financial year) handled by HDFC

Sr No.	Issue Name	Issue Size (in ₹ million)	Issue Price (in ₹)	Listing Date	Opening Price on Listing Date (in ₹)[1]	+/- % change in closing price[2], [+/- % change in closing benchmark][3] – 30th calendar day from listing	+/- % change in closing price[2], [+/- % change in closing benchmark][3] – 90th calendar day from listing	+/- % change in closing price[2], [+/- % change in closing benchmark][3] – 180th calendar day from listing
1	RBL Bank Limited	12,129.67	225	August 31, 2016	274.2	-	-	-
2	Precision Camshafts Limited	4,101.90	186	February 8, 2016	165	-14.57%[+1.33%]	-20.32%[+6.48%]	-20.11%[+17.54%]
3	Snowman Logistics Limited	1,974.00	47	September 12, 2014	76	+79.36%[-2.73%]	+117.66%[+3.09%]	+79.79%[+7.48%]

Source: www.nseindia.com for price information and prospectus for issue details

1. *Opening Price information as disclosed on the website of NSE*
2. *Change in closing price over the issue/offer price as disclosed on NSE*
3. *Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50*

4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately after the trading holiday have been considered.*

5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as*

listing date plus 89 calendar days; 180th calendar day has been taken as listing date plus 179 calendar days.

D. *INGA*

1. Price information of past issues handled by INGA:

Sr. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (in ₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180th calendar days from listing
1	Sadbhav Infrastructure Project Limited	4,916.57	103.00	September 16, 2015	111.00	-2.28% [+3.55%]	-5.63% [-3.15%]	-14.56% [-4.56%]
2	MEP Infrastructure Developers Ltd	3,240.00	63.00	May 6, 2015	65.00	-15.71% [+0.42%]	-8.57% [+5.51%]	-13.49% [-0.57%]

Notes:

1. *Source: www.nseindia.com*
2. *In Sadbhav Infrastructure Project Limited, the anchor investor issue price was ₹ 103 per equity shares*
3. *In MEP Infrastructure Developers Limited, the anchor investor issue price was ₹ 65 per equity shares*
4. *In the event any day falls on a holiday, the price/ index of the immediately succeeding working day has been considered.*
5. *All prices are according to trades on NSE and the benchmark index is NIFTY.*

2. Summary statement of price information of past issues(during current financial year and two financial years preceding the current financial year) handled by INGA:

Financial Year	Total no. of IPOs	Total amount of funds raised (in ₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015-2016	2	8,156.57	-	-	2	-	-	-	-	-	2	-	-	-
2014-2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-

E. *I-Sec*

1. The price information of past issues handled by I-Sec:

Sr. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (in ₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Wonderla Holidays Limited	1,812.50	125.00	May 9, 2014	160.00	+72.92%, [+11.60%]	+78.96%, [+11.86%]	+162.32%, [+21.57%]
2	Shemaroo Entertainment Limited	1,200.00	170.00 (1)	Octobere 1, 2014	180.00	-5.74%, [+2.81%]	-5.88%, [+3.79%]	+5.85%, [+6.88%]
3	VRL Logistics Limited	4,678.78	205.00	April 30, 2015	288.00	+50.90%, [+3.08%]	+85.49%, [+1.90%]	+100.90%, [+0.97%]
4	PNC Infratech Limited	4,884.41	378.00	May 26, 2015	387.00	+0.32%, [+0.26%]	+14.66%, [-6.36%]	+42.72%, [-5.88%]
5	Manpasand Beverages Limited	4,000.00	320.00	July 9, 2015	300.00	+23.20%, [+2.83%]	+36.53%, [-2.11%]	+58.34%, [-6.45%]
6	Sadbhav	4,916.57	103.00	September	111.00	-2.28%, [+3.55%]	-5.63%, [-3.15%]	-14.56%,[-4.56%]

Sr. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (in ₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
	Infrastructure Project Limited			16, 2015				
7	Teamlease Services Limited	4,236.77	850.00	February 12, 2016	860.00	+15.34%, [+7.99%]	+5.38%, [+12.43%]	+35.35%, [24.31%]
8	Quick Heal Technologies Limited	4,512.53	321.00	February 18, 2016	305.00	-31.56%, [+5.74%]	-20.05%, [+9.72%]	-24.21%, [20.17%]
9	Equitas Holdings Limited	21,766.85	110.00	April 21, 2016	145.10	+34.95%, [-1.63%]	+57.91%, [+7.79%]	-
10	Thyrocare Technologies Limited	4,792.14	446.00	May 9, 2016	665.00	+36.85%, [+5.09%]	+22.57%, [10.75%]	-
11	Ujjivan Financial Services Limited	8,824.96	210.00	May 10, 2016	231.90	+72.38%, [+4.88%]	115.38%, [10.44%]	-
12	Quess Corp Limited	4,000.00	317.00	July 12, 2016	500.00	+73.60%, [+0.64%]	-	-
13	Larsen & Toubro Infotech Limited	12,363.75	710.00 (2)	July 21, 2016	667.00	-6.39%, [+1.84%]	-	-
14	Advanced Enzyme Technologies Limited	4,114.88	896.00 (3)	August 1, 2016	1,210.00	+56.24%, [+1.24%]	-	-
15	RBL Bank Limited	12,129.67	225.00	August 31, 2016	274.20	-	-	-
16	ICICI Prudential Life Insurance Company Limited	60,567.91	334.00	September 29, 2016	330.00	-	-	-

(1) Discount of Rs. 17 per equity share offered to retail investors. All calculations are based on Issue Price of Rs. 170.00 per equity share.

(2) Discount of Rs. 10 per equity share offered to retail investors. All calculations are based on Issue Price of Rs. 710.00 per equity share.

(3) Discount of Rs. 86 per equity share offered to Eligible Employees. All calculations are based on Issue Price of Rs. 896.00 per equity share.

Notes:

1. All data sourced from www.nseindia.com
2. Benchmark index considered is NIFTY
3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day

2. Summary statement of price information of past issues(during current financial year and two financial years preceding the current financial year) handled by I-Sec

Financial Year	Total no. of IPOs	Total amount of funds raised (in ₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-17	8	128,560.16	-	-	1	3	2	-	-	-	-	-	-	-
2015-16	6	27,229.06	-	1	1	1	-	3	-	-	2	2	2	-
2014-15	2	3,012.50	-	-	1	1	-	-	-	-	-	1	-	1

F. JM Financial

1. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by JM Financial:

Sr. No.	Issue Name	Issue Size (₹ in ₹ crore)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (in ₹) [2]	+/- % change in closing price[3], [+/- % change in closing benchmark][4] - 30th calendar days from listing	+/- % change in closing price[3], [+/- % change in closing benchmark][4] - 90th calendar days from listing	+/- % change in closing price[3], [+/- % change in closing benchmark][4] - 180th calendar days from listing
1	ICICI Prudential Life Insurance Company Limited	6,056.79	334.00	September 29, 2016	330.00	NA	NA	NA
2	L&T Technology Services Limited	894.40	860	September 23, 2016	920.00	NA	NA	NA
3	Dilip Buildcon Limited	653.98	219	August 11, 2016	240.00	+5.11%[3.20%]	NA	NA
4	Parag Milk Foods Limited	750.54	215[1]	May 19, 2016	217.50	+17.07%[+4.97%]	+48.67%[+11.04%]	NA
5	Thyrocare Technologies Limited	479.21	446	May 9, 2016	665.00	+36.85% [+5.09%]	+23.48%[+10.39%]	NA
6	S H Kelkar and Company Limited	508.17	180	November 16, 2015	223.70	+21.69% [-1.35%]	+20.78% [-10.58%]	+24.97%[+0.11%]

Source: www.nseindia.com; for price information and prospectus/ basis of allotment for issue details.

Notes:

1. *Issue price for anchor investors was ₹227 per equity share and a discount of ₹12 per equity share had been offered to eligible employees and retail individual bidders.*

2. *Opening price information as disclosed on the website of NSE.*

3. *Change in closing price over the issue/offer price as disclosed on. NSE.*

4. *Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50.*

5. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*

6. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*

2. Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by JM Financial:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in ₹ crore)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-2017	5	8,834.92	-	-	-	-	1	2	-	-	-	-	-	-
2015-2016	1	508.17	-	-	-	-	-	1	-	-	-	-	-	1
2014-2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com.

G. *Motilal*

1. Price information of past public issues handled by Motilal:

Sr. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (in ₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing

Sr. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (in ₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Pennar Engineered Building Systems Limited	1,561.87	178.00	September 10, 2015	177.95	-5.93% [5.16%]	-10.65% [-2.25%]	-17.39% [- 4.22%]
2	Power Mech Projects Limited	2,732.16	640.00	August 26, 2015	600.00	-9.36% [0.98%]	-0.82% [1.18%]	-10.65% [- 7.15%]
3	Parag Milk Foods Limited	7,500.53	215.00*	May 19, 2016	215.70	17.19% [4.83%]	48.45% [10.26%]	NA
4	S.P. Apparels Limited	2,391.20	268.00	August 12, 2016	305.00	21.70% [0.50%]	NA	NA

* *Please note that the Anchor Investor Issue Price is ₹227 per Equity Share, further there was a discount of ₹12 to the Issue Price for Retail Investors and Eligible Employees*

Source: nseindia.com and bseindia.com

i. *The S&P CNX NIFTY is considered as the Benchmark Index.*

2. Summary statement of price information of past public issues handled by Motilal:

Financial Year	Total no. of IPOs	Total funds raised (in ₹ million)	Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date			Nos. of IPOs trading at discount as on 180th calendar day from listing date			Nos. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2016-date of this DRHP	2	9,891.73	NA	NA	NA	NA	NA	2	NA	NA	NA	NA	NA	NA
2015-2016	2	4,294.03	NA	NA	2	NA	NA	NA	NA	NA	2	NA	NA	NA
2014-2015	Nil	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

H. *SBICAP*

1. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by SBICAP:

Sr. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (in ₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Monte Carlo Fashions Limited	3,504.30	645.00	December 19, 2014	585.00	-26.53% [+3.25%]	-23.37% [+4.57%]	-21.01% [-2.50%]
2	Navkar Corporation Limited	6,000.00	155.00	September 9, 2015	152.00	+0.71% [+4.38%]	+25.81% [-0.74%]	+6.13% [-4.12%]
3	Prabhat Dairy Limited	3,561.88	115.00	September 21, 2015	115.00	+11.78% [+3.57%]	+30.83% [-1.79%]	-5.48% [-4.67%]
4	Precision Camshafts Limited	4,101.90	186.00	February 8, 2016	163.10	-14.68% [+1.53%]	-20.43% [+5.77%]	-20.32% [15.61%]
5	Infibeam Incorporation Limited	4,500.00	432.00	April 4, 2016	458.00	+20.37% [-0.67%]	+61.31% [+7.40%]	NA
6.	RBL Bank Limited	12,129.67	225.00	August 31, 2016	274.20	NA	NA	NA
7.	L&T Technology Services Limited	8,944.00	860.00	September 23, 2016	920.00	NA	NA	NA
8.	ICICI Prudential Life Insurance Company Limited	60,567.91	334.00	September 29, 2016	330.00	NA	NA	NA

Source: www.nseindia.com, www.bseindia.com

Notes:

1. *The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the next trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as*

on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.

2. *The designated exchange for the issue has been considered for the price, benchmark index and other details.*

2. Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by SBICAP

Financial Year	Total no. of IPOs*	Total amount of funds raised (in ₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-17	3	81,641.58	-	-	-	-	-	-	-	-	-	-	-	-
2015-16	4	18,163.78	-	-	1	-	-	3	-	-	1	-	-	2
2014-15	1	3,504.30	-	1	-	-	-	-	-	-	1	-	-	-

* *Based on issue closure date*

For details regarding the track record of the Lead Managers, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, see the websites of the Lead Managers, as set forth in the table below:

Name of the Lead Managers	Website
Kotak	www.investmentbank.kotak.com
Axis Capital	www.axiscapital.co.in
Edelweiss	www.edelweissfin.com
HDFC	www.hdfcbank.com
INGA	www.ingacapital.com
I-Sec	www.icicisecurities.com
JM Financial	www.jmfl.com
Motilal	www.motilaloswalgroup.com
SBICAP	www.sbicaps.com

Consents

Consents in writing of the our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Indian legal counsel to the Company as to Indian law, legal counsel to the Lead Managers as to Indian law and international legal counsel to the Lead Managers, Bankers/lenders to our Company, Technopak, Liladhar Parab, Architect & Designers, the Lead Managers, the Syndicate Members, the Escrow Collection Banks, the Refund Bank and the Registrar to the Issue to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

Our Company has received written consent from the Statutory Auditors, namely, Dalal & Shah LLP, Chartered Accountants to include its name as an expert under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to the reports of the Statutory Auditors dated September 29, 2016, on the Restated Standalone Financial Information and Restated Consolidated Financial Information of our Company, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus. A written consent under the provisions of the Companies Act, 2013 is different from a consent filed with the U.S. Securities and Exchange Commission under Section 7 of the Securities Act which is applicable only to transactions involving securities registered under the Securities Act. As the Equity Shares are proposed to be offered as a part of an initial public offering in India and the Equity Shares have not been and will not be registered under the Securities Act, the Statutory Auditors have not given consent under Section 7 of the Securities Act. In this regard, the Statutory Auditors have given consent to be referred to as “experts” in this Draft Red Herring Prospectus in accordance with the requirements of the Companies Act, 2013. The term “experts” as used in this Draft Red Herring Prospectus is different from those defined under the Securities Act which is applicable only to transactions involving securities registered under the Securities Act. The reference to the Statutory Auditors as “experts”in this Draft Red Herring Prospectus is not made in the context of the Securities Act but solely in the context of this initial public offering in India.

Expert to the Issue

Except as stated herein, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditors, namely, Dalal & Shah LLP, Chartered Accountants to include its name as an expert under Section 26 of the Companies Act in this Draft Red Herring Prospectus in relation to the reports of the Statutory Auditors dated September 29, 2016 on the Restated Standalone Financial Information and Restated Consolidated Financial Information of our Company, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus. A written consent under the provisions of the Companies Act is different from a consent filed with the U.S. Securities and Exchange Commission under Section 7 of the Securities Act which is applicable only to transactions involving securities registered under the Securities Act. As the Equity Shares are proposed to be offered as a part of an initial public offering in India and the Equity Shares have not been and will not be registered under the Securities Act, the Statutory Auditors have not given consent under Section 7 of the Securities Act. In this regard, the Statutory Auditors have given consent to be referred to as "experts"in this Draft Red Herring Prospectus in accordance with the requirements of the Companies Act. The term "experts" as used in this Draft Red Herring Prospectus is different from those defined under the Securities Act which is applicable only to transactions involving securities registered under the Securities Act. The reference to the Statutory Auditors as "experts"in this Draft Red Herring Prospectus is not made in the context of the Securities Act but solely in the context of this initial public offering in India.

Our Company has received written consent from Jhawar Mantri & Associates, Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the the statement of tax benefits dated September 16, 2016, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent from Technopack to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013 in respect to the Technopack Report, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent from Liladhar Parab, Architect & Designers to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013 in respect to the Architect Certificate and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act.

Issue Expenses

The expenses of the Issue include, among others, brokerage and selling commission, printing and stationery expenses, legal fees, advertising and marketing expenses, registrar and depository fees and listing fees. For further details of Issue expenses, see "*Objects of the Issue*" from page 90 to 91.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the Syndicate Agreement, a copy of which will be available at the Corporate Office of our Company.

Commission payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of the commission payable to SCSBs, Registered Brokers, RTAs and CDPs, see "*Objects of the Issue*" from page 90 to 91.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the Registrar Agreement, a copy of which is available for inspection at the Corporate Office of our Company.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

For details of the Issue expenses, see "*Objects of the Issue*" from page 90 to 91.

Particulars regarding public or rights issues by our Company during the last five years

Except as disclosed in "*Capital Structure*" from page 68 to 70, our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in the "*Capital Structure*" from page 68 to 70, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for the Equity Shares since our Company's inception.

Previous capital issue during the previous three years by listed Group Companies, Subsidiaries and Associate Company

None of our Group Companies, Subsidiaries or Associate Company has undertaken a capital issue in the last three years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Companies, Subsidiaries and Associate Company

Our Company has not undertaken any previous public or rights issue. There has been no shortfall in terms of performance *vis-a-vis* objects for any of the previous issues of our Company.

None of our Group Companies, Subsidiaries or Associate Company has undertaken any public or rights issue in the last ten years preceding the date of this Draft Red Herring Prospectus.

Outstanding Debentures or Bonds

Except as disclosed in "*Financial Indebtedness*" on page 183, our Company does not have any outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares or convertible instruments issued by our Company

Our Company does not have any outstanding preference shares or other convertible instruments, as on date of this Draft Red Herring Prospectus.

Partly Paid-up Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a period of at least three years from the last date of despatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concered Designated Intermediary in addition to the information mentioned hereinabove.

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB, for the redressal of routine investor grievances shall be 15 - 30 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Stakeholders' Relationship Committee comprising Manjri Chandak and Ramakant Baheti as members. For details, see "*Our Management*" on page 146. As on the date of this Draft Red Herring Prospectus, there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of this Draft Red Herring Prospectus.

Our Company has also appointed Ashu Gupta, Company Secretary of our Company as the Compliance Officer for the Issue. For details, see "*General Information*" on page 60.

Changes in Auditors

There has been no change in the Auditors during the last three years.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in "*Capital Structure*" from page 68 to 70.

Revaluation of Assets

Our Company has not revalued its assets at any time in the last five years.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued pursuant to this Issue are subject to the provisions of the Companies Act, the SEBI Regulations, SCRA, SCRR, the Memorandum of Association and Articles of Association, terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

For details in relation to Issue expenses, see "*Objects of the Issue*" and "*Other Regulatory and Statutory Disclosures*" beginning on pages 83 and 198, respectively.

Ranking of the Equity Shares

The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees upon Allotment of Equity Shares under the Issue will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Main Provisions of Articles of Association*" beginning on page 263.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum of Association and Articles of Association and provisions of the SEBI Listing Regulations and equity listing agreement to be entered into with the Stock Exchanges. For further details in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" beginning on pages 160 and 263, respectively.

Face Value and Issue Price

The face value of each Equity Share is ₹ 10 and the Issue Price is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company, in consultation with the Lead Managers, and will be advertised in [●] editions of the English national newspaper [●], [●] editions of the Hindi national newspaper [●] and the [●] edition of the Marathi newspaper [●] (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges.

At any given point of time, there shall be only one denomination of Equity Shares.

Compliance with the SEBI Regulations

Our Company shall comply with all the disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and the Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Main Provisions of Articles of Association*" beginning on page 263.

Marketing lot and Trading lot

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated September 1, 2015 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated August 22, 2016 between CDSL, our Company and Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [•] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the

same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities in Mumbai.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest, in accordance with Section 72 of the Companies Act, 2013. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no requirement to make a separate nomination with our Company. Nominations registered with respective depository participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective depository participant.

Withdrawal of the Issue

Our Company, in consultation with the Lead Managers, reserve the right not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Registrar to the Issue shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after the Prospectus is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue/offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Bid/Issue Programme

BID/ISSUE OPENS ON	[●][(1)]
BID/ISSUE CLOSES ON	[●][(2)]

(1) Our Company may, in consultation with the Lead Managers, consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI Regulations.

(2) Our Company may, in consultation with the Lead Managers, decide to close the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Opening Date, in accordance with the SEBI Regulations.

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Bid/Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation on our Company or the Lead Managers.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Issue Period (except the Bid/Issue Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Issue Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Issue Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On the Bid/Issue Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the Lead Managers to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company, or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company, in consultation with the Lead Managers, reserves the right to revise the Price Band during the Bid/Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Issue; and (ii) for at least 10% of the post-Issue Equity Share capital of our Company, in terms of Rule 19(2)(b)(iii) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the date of Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law.

Further, we shall ensure that the number of prospective Allottees to whom the Equity Shares will be allotted shall not be less than 1,000 in compliance with Regulation 26(4) of the SEBI Regulations.

Arrangement for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Issue Equity Share capital of our Company, Promoter's minimum contribution and the Anchor Investor lock-in Equity Shares as detailed in "*Capital Structure*" from page 74 to 75 and except as provided in the Articles of Association, there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on transmission of Equity Shares and on their consolidation/ splitting, except as provided in the Articles of Association. For details, see "*Main Provisions of the Articles of Association*" beginning on page 263.

ISSUE STRUCTURE

Initial public offering of up to [●] Equity Shares for cash at price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ 18,700 million by our Company. The Issue will constitute [●] % of the post-Issue paid-up Equity Share capital of our Company.

The Issue is being made through the Book Building Process.

Particulars	**QIBs**(1)	**Non Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares available for Allotment/allocation *(2)	[●] Equity Shares	Not less than [●] Equity Shares available for allocation	Not less than [●] Equity Shares available for allocation
Percentage of Issue Size available for Allotment/allocation	50% of the Issue size shall be available for allocation to QIBs. However, 5 % of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. Unsubscribed portion in the Mutual Fund Portion will be added to the net QIB Portion.	Not less than 15% of the Issue	Note less than 35% of the Issue
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): (a) [●] Equity Shares shall be available for allocated on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above	Proportionate	Proportionate, subject to minimum Bid Lot. For details, see "*Issue Procedure– Part B – Allotment Procedure and Basis of Allotment – Allotment to RIBs*" on page 251
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares not exceeding the Issue Size, subject to applicable limits	Such number of Equity Shares not exceeding the Issue Size, subject to applicable limits	Such number of Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.		
Allotment Lot	Minimum of [●] Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply(3)(4)	Public financial institutions as specified in Section 2(72) of the	Resident Indian individuals, Eligible NRIs, HUFs (in the	Resident Indian individuals, Eligible NRIs and HUFs (in

Particulars	QIBs[(1)]	Non Institutional Bidders	Retail Individual Bidders
	Companies Act, 2013, scheduled commercial banks, mutual fund registered with SEBI, FPIs other than Category III Foreign Portfolio Investors, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, in accordance with applicable law and National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance fund set up and managed by the Department of Posts, India.	name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III Foreign Portfolio Investors.	the name of Karta)
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidders that is specified in the ASBA Form at the time of submission of the ASBA Form) [(5)]		

**Assuming full subscription in the Issue.*

(1) *Our Company, in consultation with the Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. For details, see "Issue Procedure" on page 252.*

(2) *Subject to valid Bids being received at or above the Issue Price. The Issue is being made in accordance with Rule 19(2) (b) (iii) of the SCRR and under Regulation 26(1) of the SEBI Regulations.*

(3) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

(4) *With respect to restrictions on participation in the Issue, see "Issue Procedure" and "Restrictions on Foreign Ownership of Indian Securities" beginning on pages 223 and 262.*

(5) *Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Forms. For details of terms of payment applicable to Anchor Investors, see "Issue Procedure - Part B - Section 7: Allotment Procedure and Basis of Allotment" from page 251 to 253.*

Under subscription, if any, in any category except in the QIB Portion, would be met with spill-over from the other categories at the discretion of our Company, in consultation with the Lead Managers and the Designated Stock Exchange.

ISSUE PROCEDURE

All Bidders should review the General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the "General Information Document") included below under section " Part B – General Information Document", of this section which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, and certain notified provisions of the Companies Act, 2013, and amendments to the SEBI Regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

PART A

Book Building Procedure

The Issue is being made through the Book Building Process wherein 50% of the Issue shall be Allotted to QIBs on a proportionate basis, provided that our Company, in consultation with the Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Issue Price. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centers, and Registered Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and the ASBA

Forms not bearing such specified stamp are liable to be rejected.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the Lead Managers.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FIIs, their sub-accounts (other than sub-	Blue

Category	Colour of Bid cum Application Form*
accounts which are foreign corporates or foreign individuals under the QIB Portion), FPIs or FVCIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis. For restrictions on participation in the Issue, see "*Issue Procedure*" and "*Restrictions n Foreign Ownership of Indian Securities*" beginning on pages 223 and 262, respectively	
Anchor Investors	White

* *Excluding electronic Bid cum Application Form*

Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Participation by Promoters, Promoter Group, the Lead Managers the Syndicate Members and persons related to the Promoters/Promoter Group/ Lead Managers

The Lead Managers and the Syndicate Members shall not be allowed to subscribe to the Equity Shares in the Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Managers and the Syndicate Members may Bid for Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of Lead Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the Lead Managers nor any persons related to the Lead Managers (other than Mutual Funds sponsored by entities related to the Lead Managers), Promoters and Promoter Group and any persons related to our Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the

concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour). For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 262.

Bids by FPIs (including FIIs)

In terms of the SEBI FPI Regulations, an FII which holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in the Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding

by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings

of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

The existing individual and aggregate investment limits for an FII or sub account in our Company are 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

In accordance with the FDI Policy and Press Note 8 (2015 series) issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, participation by non-residents in the Issue is restricted to participation by (i) FIIs and FPIs through the portfolio investment scheme under Schedule 2 and 2A of the FEMA Regulations, as the case may be, in the Issue subject to limit of the individual holding of an FII/FPI below 10% of the post-Issue paid-up capital of the Company and the aggregate limit for FII/FPI investment to 24% of the post-Issue paid-up capital of our Company; and (ii) Eligible NRIs under Schedules 3 and 4 of the FEMA Regulations, as the case may be, subject to limit of the individual holding of an NRI below 5% of the post-Issue paid-up capital of the Company and the aggregate limit for NRI investment to 10% of the post-Issue paid-up capital of our Company both on repatriation and non repatriation basis.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III Foreign Portfolio Investors and unregulated broad based funds, which are classified as Category II Foreign Portfolio Investors by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only if (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by, or on behalf of, it to any

persons that are not regulated by an appropriate foreign regulatory authority.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative

instruments issued by or on its behalf, is carried out subject to the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations. For details of restrictions on investment by VCFs, FVCIs and AIFs registered with SEBI, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 262.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by a limited liability partnership without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which, our Company reserves the right to reject any Bid by a banking company without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Master Circular dated July 1, 2015 – Para-banking Activities, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of

India (Financial Services provided by Banks) Directions, 2016.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs (including FIIs), Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

(a) equity shares of a company: the lower of 10% of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or a general insurer and the amounts calculated under points (a), (b) and (c) above, as the case may be.

Insurance Companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

General Instructions

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center within the prescribed time;

6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

7. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

9. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

13. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

14. Ensure that the category and the investor status is indicated;

15. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

16. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

17. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;

18. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid; and

19. Ensure that the Demographic Details are updated, true and correct in all respects.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid for a Bid Amount exceeding ₹n200,000 (for Bids by Retail Individual Bidders);

3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

7. Do not submit the Bid for an amount more than funds available in your ASBA account.

8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

9. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

10. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

12. Do not submit more than five Bid cum Application Forms per ASBA Account;

13. Anchor Investors should not bid through the ASBA process;

14. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

15. Do not submit the GIR number instead of the PAN;

16. Anchor Investors should submit Anchor Investor Application Form only to Syndicate;

17. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder; and

18. Do not submit Bids to a Designated Intermediary at a location other than Specified Locations.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment into Escrow Account for Anchor Investors

Our Company, in consultation with the Lead Managers, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●] Public Issue – Escrow Account – R"

(b) In case of Non-Resident Anchor Investors: "[●] Public Issue – Escrow Account – NR"

Pre- Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in: (i) all editions of English national newspaper [●]; (ii) all editions of Hindi national newspaper [●]; and (iii) [●] edition of Marathi newspaper [●] (Marathi being the regional language of Maharashtra, where the registered office of the Company is situated), each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the QIB Bid Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

***(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertakings by our Company

Our Company undertakes the following:

- if our Company does not proceed with the the Issue after the Bid/Issue Closing Date but prior to Allotment, reasons thereof shall be given as a public notice within two days of Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue adverstisements were published.

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders.

- it shall not have any recourse to the proceeds of the Issue until final listing and trading approvals have been received from the Stock Exchanges;

- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Issue Closing Date or such other period as may be prescribed;

- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- intimation of the credit of the securities/refund orders to Eligible NRIs shall be despatched within specified time; and

- no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Utilisation of Net Proceeds

The Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilised out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Net proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;

- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;

- utilisation of monies received under the Promoters' contribution, if any, shall be disclosed, and continue to be disclosed till the time any part of the Net Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- details of all unutilised monies out of the funds received under the Promoters' contribution, if any, shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI Regulations, 2009**").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus ("**RHP**")/Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Offer and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see "*Glossary and Abbreviations*".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the "SCRR"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Offer Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Offer ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, and the advertisement in the newspaper(s) issued in this regard.

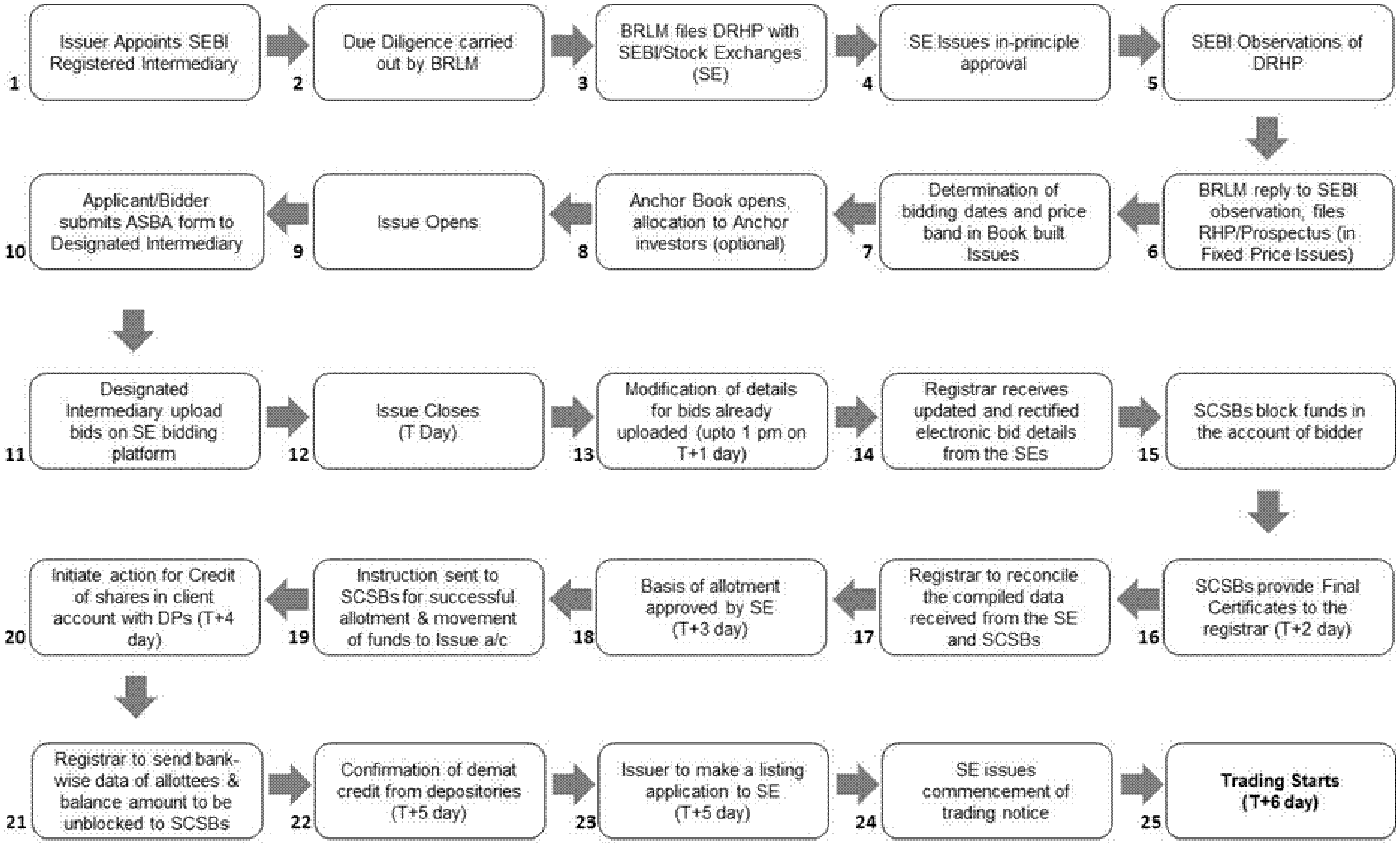
2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Offer other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

  i. Step 7 : Determination of Offer Date and Price

  ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries


1 Issuer Appoints SEBI Registered Intermediary
2 Due Diligence carried out by BRLM
3 BRLM files DRHP with SEBI/Stock Exchanges (SE)
4 SE Issues in-principle approval
5 SEBI Observations of DRHP
6 BRLM reply to SEBI observation, files RHP/Prospectus (in Fixed Price Issues)
7 Determination of bidding dates and price band in Book built Issues
8 Anchor Book opens, allocation to Anchor investors (optional)
9 Issue Opens
10 Applicant/Bidder submits ASBA form to Designated Intermediary
11 Designated Intermediary upload bids on SE bidding platform
12 Issue Closes (T Day)
13 Modification of details for bids already uploaded (upto 1 pm on T+1 day)
14 Registrar receives updated and rectified electronic bid details from the SEs
15 SCSBs block funds in the account of bidder
16 SCSBs provide Final Certificates to the registrar (T+2 day)
17 Registrar to reconcile the compiled data received from the SE and SCSBs
18 Basis of allotment approved by SE (T+3 day)
19 Instruction sent to SCSBs for successful allotment & movement of funds to Issue a/c
20 Initiate action for Credit of shares in client account with DPs (T+4 day)
21 Registrar to send bank-wise data of allottees & balance amount to be unblocked to SCSBs
22 Confirmation of demat credit from depositories (T+5 day)
23 Issuer to make a listing application to SE (T+5 day)
24 SE issues commencement of trading notice
25 Trading Starts (T+6 day)

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Bidder ("**NIBs**") category;
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIBs category;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, are not allowed to participate in an Offer.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) bearing the stamp of a Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the book running lead managers, the Designated Intermediaries at the Bidding centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE

COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : .... **Contact Details:** .... **CIN No** ....

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	**ESCROW BANK/SCSB BRANCH STAMP & CODE**
BANK BRANCH SERIAL NO.	**SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	Bid Price (3 | 2 | 1)	Retail Discount (3 | 2 | 1)	Net Price (3 | 2 | 1)	"Cut-off" (Please ✓ tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder

☐ Non-Institutional Bidder

☐ QIB

6. INVESTOR STATUS

- ☐ Individual(s) - IND
- ☐ Hindu Undivided Family* - HUF
- ☐ Bodies Corporate - CO
- ☐ Banks & Financial Institutions - FI
- ☐ Mutual Funds - MF
- ☐ Non-Resident Indians - NRI (Non-Repatriation basis)
- ☐ National Investment Fund - NIF
- ☐ Insurance Funds - IF
- ☐ Insurance Companies - IC
- ☐ Venture Capital Funds - VCF
- ☐ Alternative Investment Funds - AIF
- ☐ Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with individual)

7. PAYMENT DETAILS — **PAYMENT OPTION : FULL PAYMENT** ☐ **PART PAYMENT** ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER

Date : ....

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)

2)

3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

LOGO

XYZ LIMITED

INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Amount paid (₹ in figures)		Bank & Branch		Stamp & Signature of SCSB Branch
ASBA Bank A/c No.				
Received from Mr./Ms.				
Telephone / Mobile		Email		

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

ASBA Bank A/c No. ....

Bank & Branch ....

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

Address : .... Contact Details: .... CIN No ....

FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

TEAR HERE

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✔ tick)
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder

☐ Non-Institutional Bidder

☐ QIB

6. INVESTOR STATUS

NRI	Non-Resident Indian(s) (Repatriation basis)
FII	FII or Sub-account not a Corporate/Foreign Individual
FIISA	FII Sub-account Corporate/Individual
FVCI	Foreign Venture Capital Investor
FPI	Foreign Portfolio Investors
OTH	Others (Please Specify)________

7. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words) ____________

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER

Date : ____________

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)

2)

3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

LOGO

XYZ LIMITED

INITIAL PUBLIC ISSUE - NR

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)		Bank & Branch	
ASBA Bank A/c No.			

Stamp & Signature of SCSB Branch

Received from Mr./Ms. ____________

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No. ____________

Bank & Branch ____________

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

____

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.

(c) **Joint Bids/Applications**: In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders.

(d) **Impersonation**: Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who:*

(d) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(e) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(f) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

(a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.

(e) Bids/Applications by Bidders/Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.

(c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for other correspondence(s) related to an Offer.

(d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (for further details Bidders may refer to Section 5.6 (e)).

(c) **Cut-Off Price:** Retail Individual Bidders or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIBs and such Bids from QIBs and NIBs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RIB shall not be less than the minimum Bid Lot, subject to availability of shares in the RIB category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹200,000.

(b) In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

(c) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(d) Bids by QIBs and NIBs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. NIBs and QIBs are not allowed to Bid at Cut-off Price.

(e) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the NIBs who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Allocation Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Offer size.

(h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the highest number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Offer portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

(a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIBs, NIBs and QIBs.

(b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If Discount is applicable in the Offer, RIBs should indicate the full Bid Amount in the Bid cum Application Form and funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) RIBs who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price.

(c) All Bidders (except Anchor Investors) have to participate in the Offer only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 Instructions for Anchor Investors:

(a) Anchor Investors may submit their Bids with a Book Running Lead Manager.

(b) Payments should be made either by direct credit, RTGS or NEFT.

(c) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2 Payment instructions for ASBA Bidders

(a) Bidders may submit the ASBA Form either

i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

ii. in physical mode to any Designated Intermediary.

(b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

(c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.

(d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Bidders should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.

(g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.

(h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.

(l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Offer Closing Date.

4.1.7.3 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RIB category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Offer may block the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RIB category.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

(a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/ Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.

(c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and/or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

(a) Bidders should ensure that they receive the Acknowledgment Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.

(b) All communications in connection with Bids made in the Offer may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder/Applicant, Bid cum Application Form number, Bidders'/Applicants' DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the investor shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

(a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIBs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RIB may revise their bids or withdraw their Bids till the Bid/Offer Closing Date.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/Applicant can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : .... Contact Details: .... CIN No ....

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					
(OR) Option 2					
(OR) Option 3					

OLD BID

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					
(OR) Option 2					
(OR) Option 3					

REVISED BID

6. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Additional Amount Paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE ON BEHALF OF JOINT APPLICANTS, IF ANY, HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)

2)

3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Additional Amount Paid (₹) | Bank & Branch

ASBA Bank A/c No.

Stamp & Signature of SCSB Branch

Received from Mr./Ms.

Telephone / Mobile | Email

REVISED BID

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Paid (₹)			

REVISED BID

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANTS, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIBs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000. In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIBs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RIB does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid, where possible. shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RIB and the RIB is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIBs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the allotment is finalised.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders/Applicants are required to authorise that the full Bid Amount (less Discount (if applicable) is blocked. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(b) Bidder/Applicants may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for, where possible, may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIBs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount blocked at the time of Bidding may be unblocked after the finalisation of basis of allotment.

4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

(a) The Issuer may mention Issue Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Manager may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIBs**,** Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Offer size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.

ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Offer portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIBs, individual applicants other than RIB's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Applicants (other than Anchor Investors) are required to make use of ASBA for applying in the Issue

(b) Application Amount cannot be paid in cash, through money order, cheque, demand draft or through postal order or through stock invest.

4.3.5.1 **Payment instructions for Applicants**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

4.3.5.3 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraphs 4.1.7.3.

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/APPLICATION FORM/REVISION FORM

4.4.1 **Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	1) To the Book Running Lead Managers at the locations mentioned in the Anchor Investors Application Form
ASBA Form	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the DP at the Designated DP Location (b) To the Designated Branches of the SCSBs

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(b) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(c) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/Offer Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.

(b) In case of Bidders/Applicants (excluding NIIs, NIBs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1 p.m. on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Offer Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

5.4 WITHDRAWAL OF BIDS

(a) RIBs can withdraw their Bids until Bid/Offer Closing Date. In case a RIB wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finaliation of basis of allotment. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:

i. the Bids accepted by the Designated Intermediary,

ii. the Bids uploaded by the Designated Intermediary, and

iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.

(b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIBs & RIBs Bidders can be rejected on technical grounds listed herein.

5.5.1 **GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, which have been detailed at various places in this GID:-

(a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids/Applications by OCBs;

(c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not being submitted along with the Bid cum application form;

(e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(g) PAN not mentioned in the Bid cum Application Form/Application Forms except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(h) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(i) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(j) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;

(k) Bids/Applications at Cut-off Price by NIBs and QIBs;

(l) The amounts mentioned in the Bid cum Application Form/Application Forms do not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(m) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(n) Submission of more than five ASBA Forms/Application Forms per ASBA Account;

(o) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares as specified in the RHP;

(p) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(q) Bids not uploaded in the Stock Exchanges bidding system.

(r) Inadequate funds in the bank account to block the Bid/Application Amount specified in the ASBA Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;

(s) Where no confirmation is received from SCSB for blocking of funds;

(t) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;

(u) Bids/Applications submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the Issuer or the Registrar to the Offer;

(v) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Prospectus.

(b) Under-subscription in any category (except QIB Portion) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.

(c) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the price band. For instance, assume a price band of ₹20 to ₹24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.70%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.70%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, *i.e.*, ₹22.00 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off price, *i.e.*, at or below ₹22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding ("**Alternate Book Building Process**").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIBs, NIBs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Offer. As the Offer Price is mentioned in the Fixed Price Offer therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Bidder will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Net Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIBs

Bids received from the RIBs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIBs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot ("**Maximum RIB Allottees**"). The Allotment to the RIBs will then be made in the following manner:

(a) In the event the number of RIBs who have submitted valid Bids in the Offer is equal to or less than Maximum RIB Allottees, (i) all such RIBs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIBs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIBs who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the RIBs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIBS

Bids received from NIBs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer in consultation with the BRLMs, subject to compliance with the following requirements:

i. not more than 60% of the QIB Category will be allocated to Anchor Investors;

ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹100 million;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹100 million and up to ₹2,500 million subject to minimum Allotment of ₹50 million per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof, subject to minimum Allotment of ₹50 million per such Anchor Investor.

(b) An Anchor Investor shall make an application of a value of at least ₹100 million in the Offer.

(c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(d) **In the event that the Offer Price is higher than the Anchor Investor Allocation Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(e) **In the event the Offer Price is lower than the Anchor Investor Allocation Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIBs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker to the Offer. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/Offer Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may initiate corporate action for credit to Equity Shares the beneficiary account with Depositories, within six Working Days of the Bid/Offer Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹5 lakhs but which may extend to ₹50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 but which may extend to ₹3 lakhs, or with both.

If the permissions to deal in and an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders/Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Offer Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Offer involving a Fresh Issue and an Offer for Sale, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.

(b) **In case of Anchor Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

(c) In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

(a) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;

(b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **RTGS**—Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS.

(d) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if Allotment is not made and the refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within 15 days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Offer Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted

Term	Description
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Red Herring Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount /ASBA	An application, whether physical or electronic, used by ASBA Bidders/Applicants, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
Application Supported by Blocked Amount Form /ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidder	All Bidders/Applicants except Anchor Investors
Banker(s) to the Offer/Escrow Collection Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Offer
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Closing Date
Bid/Offer Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Opening Date

Term	Description
Bid/Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective ASBA Bidders/Applicants can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Period
Bidder/Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIBs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant’s Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder~~/Applicant~~’s address, name of the Applicant’s father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html

Term	Description
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries	Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made

Term	Description
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RIB Allottees	The maximum number of RIBs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non Institutional Bidders or NIBs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIBs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable

Term	Description
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Bidders in a Fixed Price Issue. These include individual applicants other than Retail Individual Bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Issue Account	A Bank account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three days before the Bid/Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account	The account opened with Refund Bank, from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank	Refund bank as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate

Term	Description
Registrar to the Offer/RTO	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Bidders/ RIBs	Investors who applies or bids for a value of not more than ₹200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIBs which shall not be less than the minimum Bid Lot, subject to availability in RIB category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	"Working Day" means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the FDI Policy and FEMA. The government bodies responsible for granting foreign investment approvals are the FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DIPP, issued the consolidated FDI Policy by way of circular no. D/o IPP F. No. 5(1)/2016-FC-1 dated the June 7, 2016 which with effect from June 7, 2016, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on June 6, 2016. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, FDI Policy will be valid until the DIPP issues an updated FDI Policy.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government, OCBs cannot participate in this Issue.

In accordance with the FDI Policy and Press Note 8 (2015 series) issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, participation by non-residents in the Issue is restricted to participation by (i) FIIs and FPIs through the portfolio investment scheme under Schedule 2 and 2A of the FEMA Regulations, as the case may be, in the Issue subject to limit of the individual holding of an FII/FPI below 10% of the post-Issue paid-up capital of the Company and the aggregate limit for FII/FPI investment to 24% of the post-Issue paid-up capital of our Company; and (ii) Eligible NRIs under Schedules 3 and 4 of the FEMA Regulations, as the case may be, subject to limit of the individual holding of an NRI below 5% of the post-Issue paid-up capital of the Company and the aggregate limit for NRI investment to 10% of the post-Issue paid-up capital of our Company both on repatriation and non repatriation basis.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as "QIBs") pursuant to Rule 144A or another available exemption from the registration requirements of the Securities Act, and (ii) outside the United States only in offshore transactions in reliance on Regulation S under the Securities Act and pursuant to the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Share Capital

The authorised share capital of our Company shall be such amount and be divided into such shares as may from time to time, be provided in Clause V of Memorandum of Association with the rights, privileges and conditions attaching thereto as provided by the Articles of Association for the time being. Our Company has power from time to time, to increase or reduce its capital and to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association and to vary, modify or abrogate any such right, privilege, conditions or restrictions in such manner as may for the time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf.

Subject to the provisions of the Companies Act and Articles of Association, the Board shall have power to issue warrants or other instruments which may entitle the holders thereof to subscribe to equity shares or convertible debentures at a price and on such terms and conditions as the Board may deem fit.

Subject to the provisions of the Companies Act and Articles of Association, the shares in the capital of the Company for the time being (including any share forming part of any increased capital of the Company) shall be under the control of the Directors who may allot or otherwise dispose of the same or any of them to such person in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and proper, and with full power to give to any person the option to be allotted shares of the Company either at par or at a premium, such option being exercisable at such time and for such consideration as the Directors think fit. However, the option or right to call on shares shall not be given to any person or persons without the sanction of the Company in Board meeting.

Subject to Sections 62 and 42 of the Companies Act, and without derogating from the power for that purpose conferred on the Directors under the Articles of Association, the Company in general meeting may, by special resolution, determine to issue further shares out of the authorised but unissued capital of the Company and may determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not) in such proportions and on such terms and conditions and either at a premium or at par, as such general meeting shall determine and with full power to give any person (whether a member or holder of debentures of the Company or not) option to be allotted shares of any class of the Company either at a premium or at par. Such option is exercisable at such general meeting of the Company and the Company may make any other provisions whatsoever for the issue, allotment or disposal of any shares, subject to any direction given by the general meeting as aforesaid and the provisions shall apply to any issue of new shares.

Increase, reduction, alteration in capital and buy back of shares

The Company may, from time to time, by ordinary resolution in General Meetings, increase its share capital by creation and issue of new shares either by fresh issue of Equity Shares or increase in terms of / by conversion or otherwise of any instruments including warrants, convertible debentures issued or to be issued in such manner, and of such amount as it thinks expedient. Subject to the provision of the Companies Act, new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as by the General Meeting creating the same shall direct and if no direction be given, as the Directors shall determine. Such shares may be issued with a preferential or qualified right as to dividends, and in distribution of assets of the Company, and with a right of voting at General Meetings of the Company in conformity with Section 47 of the Companies Act.

The Company may, subject to the provisions of the Companies Act, from time, to time by special resolution, reduce its share capital and any capital redemption reserve account or other premium account in any way authorized by law and in particular may pay off any paid up share capital upon the footing that it may be called up again or otherwise and may, if and so far as is necessary, alter its Memorandum of Association by reducing the amount of its share capital and of its shares accordingly.

The Company shall have the power to buy-back its own shares, any consequent reduction of capital. If and to the extent permitted by law, the Company shall also have the power to re-issue the shares so bought back.

Payment of commission and brokerage

The Company may, subject to the provisions of Section 40(6) and other applicable provisions (if any) of the Companies Act and rules made thereunder, at any time, pay a commission to any person in consideration of his subscribing or agreeing to subscribe or his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in or debentures of the Company so that the amount or rate of commission does not exceed in the maximum permissible rate as prescribed in the rules. The Commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures or partly in the one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

Calls

The Board may, from time to time, make such calls as they think fit, upon the members in respect of all monies unpaid on the shares held by them respectively (whether on account of the capital value of the shares or by way of premium) and which are not by the condition of the allotment, made payable at fixed times and each members shall pay the amount of every call so made on him to the persons and at the times appointed by Directors. A call may be made payable by installment. However, no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call. The call may be revoked or postponed at the discretion of the Board.

If calls are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. The shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.

A notice shall be givn at least 30 days prior to any call, other than an allotment, shall be given specifying the time of payment, provided that before the time for payment of such call the Directors may, by notice in writing to the members, revoke the same.

A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed and may be made payable by those members whose names appear on the Register of Members on such date, or, at the discretion of the Directors on such subsequent date as shall be fixed by the Directors.

The Directors may, from time to time, at their discretion, extend the time for the payment of any call and may extend such time as to payment of call for any of the members the Directors may deem entitled to such extension save as a matter of grace and favour.

If by the terms of issue of any shares, any amounts are made payable at any fixed time or by installment at fixed times (whether on account of the nominal amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly.

If the sum payable in respect of any call or installments be not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the share(s) in respect of which a call shall have been made or the installments shall be due shall pay interest on the same at such rate as the Directors shall fix from the day appointed for the payment thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time, be due from any member in respect of any shares either by way of principle or interest nor any indulgence granted by the Company in respect of the payment of any money shall preclude the forfeiture of such shares as hereinafter provided.

Subject to the provisions of the Act and these Articles on the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares, it shall be sufficient to prove that the name of the member in respect of whose shares money is sought to be recovered that the resolution making the calls duly recorded in the minute book, and that notice of such calls was duly posted to the members or his representative in pursuance of these presents, and it shall not be necessary to prove the appointment of the Directors who made such call not that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Forfeiture, surrender and lien

If any member fails to pay the whole or any part of any call or installment or any money due in respect of any shares either by way of principle or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof of other money as aforesaid remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment. The provisions shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

The notice shall indicate a day (not being less than 14 days from the date of the notice) on or before which and the place or place at which such call, installment or such part thereof and such other moneys as aforesaid and such interest and expenses as aforesaid are to be paid, and if payable to any person other than the Company, the person to whom such payment is to be made. The notice shall also state that in the event of non-payment at or before the time and (if payable to any person other than the Company) at the place appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.

If the aforesaid requirements of any such notice is not complied with, any of the shares in respect of which such notice has been given may, at any time thereafter, but before payment of all calls or installments, interest and expenses and other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

When any shares shall have been so forfeited, an entry of the forfeiture, with the date thereof, shall be made in the Register of Members and notice of the forfeiture shall be given to the member in whose name they stood immediately prior to forfeiture but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any entry as aforesaid.

Any shares so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit.

The Directors may, at any time before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.

Any person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest, expenses and other moneys owing upon or in respect of such shares at the time of forfeiture together with interest thereon from the time of the forfeiture until payment at such rates as the Directors may determine and the Directors may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of forfeiture but shall not be under any obligation to do so.

The forfeiture of a share shall involve the extinction at the time of the forfeiture of all interest and claims and demands against the Company in respect of the shares forfeited and all other rights incidental to the share, except only such of those right as by these presents are expressly saved.

The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.

The Company shall have no lien on its fully paid shares. In the case of partly paid up shares, the Company shall have a first and paramount lien on such shares registered in the name of the each member, whether solely or jointly with others and upon the proceeds of sale thereof for all moneys called or payable at a fixed time in respect of such shares and whether held solely or jointly with any other person and whether the period for the payment, fulfillment or discharge thereof shall have actually arrived or not, and no equitable interest in any share shall be created except subject to conditions prescribed under the Articles of Association. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may, at any time, declare any share to be wholly or in part exempt from the provisions of the aforesaid requirements.

For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made unless the sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such member, his executors or administrators or his committee, or other legal representatives as the case may be, and default shall have been made by him or them in the payment of the sum payable as aforesaid for fourteen days after the date of such notice. To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as aforesaid, the certificate in respect of the shares sold shall stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in lieu thereof to the purchaser or purchasers concerned.

The net proceeds of any such sale, after payment of the costs of such sale, shall be applied in or towards the satisfaction of such debts, liabilities or engagements of such member and the residue, (if any) shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to such member or the person (if any) entitled by transmission to the shares so sold.

A certificate in writing under the hand of a Director, manager or the secretary of the Company that the call in respect of a share was made, and notice thereof given, and that default in payment of the call was made, and that the forfeiture of the share was made by a resolution of the Directors to that effect shall be conclusive evidence of the facts stated therein as against all persons entitled to such share.

Upon any sale after forfeiture or for enforcing a lien in the exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed off may be registered as the holder of the share and he shall not be bound to sell to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person.

Upon any sale, re-allotment or other disposal under the provisions of the proceeding Articles, the certificate or certificates originally issued in respect of the relevant shares shall (unless the same shall, on demand by the Company, have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

Transfer and transmission of shares

The instrument of transfer of any shares shall be in writing and all the provisions of Section 56 of the Companies Act and of any statutory modifications thereof for the time being in force shall be duly complied with in respect of all transfers of shares and the registration thereof.

Nothing contained in Section 56 of the Companies Act, shall apply to transfer of securities effected by the transferor and the transferee both of whom are entered as beneficial owner in the record of the Company.

The instrument of transfer of any share shall be in writing and all the provisions of the Companies Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

Every such instrument of transfer shall be signed by or on behalf of the transferor and by or on behalf of the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.

The Company shall use a common form of transfer, subject to the provisions of the Companies Act. In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.

The Company shall cause to be keep a Register and Index of beneficial owners in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in physical and dematerialized forms in any medium as may be permitted by law including in any form of electronic medium. The Company shall be entitled to keep in any state or country outside India, a branch Register and Index of beneficial owners resident in that state or country.

No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters administration, certificate of death or marriage, power of attorney or similar other document.

The Company shall not register a transfer of shares in the Company unless a proper instrument of transfer duly stamped , dated and executed by or on behalf of the transferor and the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company by the transferor and the transferee within the prescribed period along with the certificate relating to the shares, or if no such share certificate is in existence along with the letter of allotment of the shares. However, where the instrument of transfer has been lost or the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit.

Subject to the provisions of Section 58 of the Companies Act, the Directors may at their absolute and uncontrolled discretion, decline to register or acknowledge any transfer of shares and shall not be bound to be give any reason for such refusal In particular the Company may so decline in respect of shares upon which the Company has a lien or whilst any moneys in respect of the shares desired to be transferred or any of them remain unpaid and such refusal shall not be affected by the fact that the proposed transferee is already a member. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except as stated hereinabove. The registration of the transfer shall be conclusive evidence of the approval by the Directors of the transferee.

The Company may refuse to register the transfer of any of its securities in the name of the transferee on any one or more of the following grounds and on no other ground namely;

(a) that the instrument of transfer is not proper or has not been duly stamped and executed or that the certificate relating to the security has not been delivered to the Company or that any other requirement under the law relating to the registration of such transfer has not been complied with;

(b) that the transfer of the security is in contravention of any law;

(c) that the transfer of the security is likely to result in such change in the composition of the Board as would be prejudicial to the interest or in the interest of the Company or to the public interest;

(d) that the transfer of the security is prohibited by any order of any court, tribunal or other authority under any law for the time being in force.

The transfer of shares, in whatever lot, would not be refused, though there could be no objection to the Company refusing to split a share certificate into several scrip's of small denominations or to consider a proposal for transfer of share comprised in a share certificate to several parties, involving such splitting, if on the face of it such splitting/transfer appears to be reasonable or with a genuine need.

Except as above, the Company would not refuse transfer in violation of the Stock Exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.

If the Company refuses to register the Transfer of any share or transmission of any right therein the Company shall, within one month from the date of which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor, to the person giving intimation of transmission along with reasons for such refusal, as the case may be, and thereupon the provisions of Section 58 of the Companies Act, or any statutory modification thereof for the time being in force shall apply.

A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be valid as if he had been a member at the time of the execution of the instrument of transfer.

The instrument of transfer after registration shall be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall, on demand, be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with Company for a period of ten years or more.

The Directors shall have power, on giving not less than seven days, previous notice by advertisement as required by Section 91 of the Companies Act or such lesser time as may be prescribed by SEBI, to close the transfer books of the Company, the Register of Members or the Register of Debentures holders as the case may be at such time or times and for such period or periods of time not exceeding in the whole 45 days in each year and not exceeding 30 days at a time, as to them may seem fit. The minimum time gap between two book closure and/ or record dates would be atleast 30 days.

The executors or administrators or a holder of a succession certificate in respect of the estate of a deceased member, not being one of two or more joint holders shall be the only persons recognized by the Company as having any title to the shares registered in the name of such deceased member and the Company shall not be bound to recognize such executors or administrators unless such executors or administrators shall have first obtained probate or letters of administration as the case may be, from a duly constituted court in India, however, in any case where the Board in their absolute discretion think fit, the Directors may dispense with the production of probate or letters of administration or succession certificate and under the provisions of the Articles of Association register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

Subject to the provisions contained in the Articles of Association, any person becoming entitled to a share in consequence of the death, lunacy or insolvency of any member, upon producing proper evidence of the grant of probate or letter of administrations or succession certificate or such other evidence that he sustains the character in respect of which he purports to act under this Article or of his title to the shares as the Board think sufficient may, with the consent of the Board (which it shall not be under any obligation to give), be registered as a member in respect of such shares, or may, subject to the regulations as to transfer hereinbefore contained, transfer such shares.

With respect to right of nomination, the Articles of Association provide the following:

(i) Every shareholder of the Company, may at any time, nominate, in the prescribed manner, a person to whom his shares in the Company, shall vest in the event of his death.

(ii) Where the shares in the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares in the Company, shall vest in the event of death of all the joint holders.

(iii) Where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in the Company, the nominee shall, on the death of the shareholder or as the case may be, on the death of the joint holders become entitled to all the rights in such shares, of the holder or, as the case may be, of all the joint holders, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

(iv) Where the nominee is a minor, it shall be lawful for the holder of the shares, to make the nomination to appoint in the prescribed manner, any person to become entitled to shares in the Company, in the event of his death, during the minority.

(v) A nominee may upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-to be registered himself as holder of the share; or to make such transfer of the share as the deceased shareholder, could have made.

(vi) If the nominee elects to be registered as holder of the share himself, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder.

(vii) A nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share except that he shall not, before being registered as a member in respect of his share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of Company.

(viii) The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share, until the requirements of the notice have been complied with

(ix) Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer for registration."

(x) A person entitled to a share by transmission shall subject to the right of the Directors to retain such dividends or moneys as hereinafter provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the shares.

(xi) Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Board at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

(x) The Company shall not charge any fee for registration of transfer or transmission in respect of shares or debentures of the Company.

(xi) The Company shall incur no liability or responsibility whatsoever in consequences their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right title or interest (to do such shares notwithstanding that the Company may not have notice of such equitable right, title or interest) or may have received a notice prohibiting registration of such transfer and may have entered such notice as referred thereto in any book of the Company, and save as provided by Section 89 of the Companies Act, the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered and referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors so think fit.

The Company shall keep a book called the "Register of Transfer" and therein shall be fairly and distinctly entered the particulars of every transfer and transmission of any share in the Company.

Borrowing Powers

The Directors shall have the power, from time to time, at their discretion, by a resolution passed at meeting of the Board and not by circular resolution, to accept deposits from members other in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of moneys for the purposes of the Company. However, where the total amount borrowed at any time together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceeds the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, the consent of the Company by way of a special resolution shall be required. Such special resolution shall specify the total amount up to which moneys may be borrowed by the Board. The expression "temporary loans" means loans repayable on demand or within six months from the date of the loans such as short terms loans, cash credit arrangements, discounting of bill and the issue of other short-term loans of reasonable character but does not include loans raised for the purpose of financing expenditure of a capital nature.

the Directors may, by a resolution passed at a meeting of the Board and not by circular resolution, raise or secure the payment of such sum or sums in such manner and upon such issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Debentures, debenture-stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Any bonds, debentures, debenture-stock or other securities may be issued at a premium or otherwise and with any special rights, privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at general meeting, appointment of Directors or otherwise. However, debentures with the right to allotment of or Conversion into shares, either wholly or partly shall not be issued except with the sanction of the Company in general meeting by way of a special resolution.

If any uncalled capital of the Company is included in or charged by way of mortgage or other security by the Directors, the Directors shall, subject to the provisions of the Companies Act and the Articles of Association, make calls on the members in respect of such uncalled capital in trust for the persons in whose favour such mortgage or security is executed or any other person in trust for him to receive moneys on call from the members in respect of such uncalled capital and the provisions hereinbefore contained in regard to calls shall mutatis mutandis apply to calls made under such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Director's powers or otherwise and shall be assignable if expressed so to be.

If the Directors or any of the directors or any other person shall incur or be about incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Board may execute any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Companies Act of all mortgages, debentures and charges specifically affecting the property of the Company including all floating charges on the undertaking or any property of the Company, and shall cause the requirements of Sections 71, 77, 79,81 to 87 (both inclusive) of the Companies Act in that behalf to be duly complied with, within the time prescribed by the said Sections or such extensions thereof as may be permitted by the Applicable Authority or the Registrar as may be applicable so far as they are to be complied with by the Board. The Company shall, if at any time it issues debentures, keep a Register and index of debenture holders in accordance with Section 88 of the Companies Act.

Conversion of shares into stock

The Company, by ordinary resolution in General Meeting may:

a) Convert any fully paid-up shares into stock; and

b) Re-convert any stock into fully paid-up shares of any denomination.

The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit. Provided that, the Board may from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of shares from which the stock arose.

The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matter, as if they held the shares from which the stock arose but no such privilege or advantage (except as regards dividends, participation in the profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in share, have conferred that privilege or advantage.

Such of the regulations of the Company (other than those relating to share warrants) as are applicable to paid-up shares shall apply to stock and the words "Share" and "Shareholders" in these regulations shall include stock and stockholder respectively.

General Meeting

Subject to the provisions of Section 96 and 129 of the Companies Act, the Company shall, in addition to any other meetings, hold a general meeting (hereinafter called as Annual General Meeting") at the intervals and in accordance with the provisions contained in Section 96 of the Companies Act."

All General Meetings other than Annual General Meetings shall be called Extra-Ordinary General Meetings.

The Board may call an Extra-Ordinary General Meeting whenever they think fit.

The process of calling General Meeting by requisitions include the follows:

i) The Board shall, on the requisition of such number of members of the Company who hold, in regard to any matter at the date of receipt of the requisitions, not less than one tenth of such of the paid-up capital of the Company upon which all calls or other moneys then due shall have been paid as at that matter, forthwith proceed duly to call an Extraordinary General Meeting of the Company and the provisions of Section 100 of the Act and the provisions herein below contained shall be applicable to such meeting.

ii) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists, and shall be deposited at the Registered Office of the Company.

iii) The requisition may consist of several documents of the like from each signed by one or more requistionists.

iv) Where two or more distinct matters are specified in the requisition, the provisions of clause (a) above shall apply separately in regard to each such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause is fulfilled.

v) If the Board do not, within twenty one days from the date of the receipt of valid requisition in regard to any matter, proceed duly to call a meeting for the consideration of those matter on a day not later than forty five days from the date of the receipt of the requisition, the meeting may be called by the requisitionists themselves or by such of the requisitionists as represent either majority in value of the paid up share capital held by all of them or not less than one-tenth of such of the paid up share capital of the Company as is referred to in clause (i) above whichever is less.

vi) A meeting called under clause (e) above by the requisitionists or any of them shall be called and held in the same manner, as nearly as possible, as that in which meetings are called and held by the Board., but shall not be held after the expiration of three months from the date of the deposit of the requisition.

vii) Any reasonable expenses incurred by the requisitionist in calling a meeting under clause (e) above shall be reimbursed to the requisitionists by the Company, and any sum so paid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

A General Meeting of the Company may be called by giving not less than twenty one days clear notice either in writing or in electronic mode in such manner as may be prescribed. However a General Meeting may be called after giving a shorter notice, if the consent is given in writing or by electronic mode by not less than ninety five percent of the members entitled to vote at such meeting.

Every notice of a meeting of the Company shall specify the place, the date, the day and the hour of the meetings, and shall contain a statement of the business to be transacted thereat. In every notice there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member of the Company.

In case of an Annual General Meeting all business to be transacted at the meeting shall be deemed special, with the exception relating to:

(i) the consideration of the Financial Statements and the report of the Board and auditors;

(ii) the declaration of any dividend;

(iii) the appointment of Directors in the place of those retiring;

(iv) the appointment of and the fixing of the remuneration of the Auditors;

In the case of any other meeting all business shall be deemed special.

Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular, the nature of the concern or interest if any, therein of (i) every Director and of the Manager if any; (ii) every other key managerial personnel; and relatives of the persons mentioned in sub clauses (i) and (ii) and any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decisions thereon. Provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, Director, the

Manager, if any and of every other key managerial personnel of the Company shall also be set out in the explanatory statement, if the extent of such shareholding interest is not less than 2 per cent of the paid-up share capital of that other company.

Where any item of business to be transacted at the meeting refers to any document, the time and place where the document can be inspected shall be specified in the explanatory statement.

Notice of every meeting shall be given to every member of the Company in any manner authorized by sub-section (2) of Section 20 of the Companies Act and by the Articles of Association.

Notice of every meeting of the Company and every other communication relating to any general meeting of the Company which any member of the Company is entitled to have sent to him, shall be given to the Auditor or Auditors for the time being of the Company in the manner authorized by Section 20 of the Companies Act, as in the case of any member or members of the Company.

The accidental omission to give notice of any meeting to or the non-receipt of any notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting or the resolutions passed thereat.

Where by any provision contained in the Companies Act or in the Articles of Association , special notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company by such number of members holding not less than one per cent of total voting power or holding shares on which such aggregate sum not exceeding Rs. 5 lakhs, not earlier than three months but not less than fourteen days before the meeting at which it is to be moved exclusive of the days on which the notice is served and the day of the meeting.

The Company shall, immediately after the notice of the intention to move any such resolution has been received by it give its members, notice of the resolution atleast seven days before the meeting exclusive of the day of dispatch of the notice and the day of the meeting, in the same manner as it give its notice of any general meeting. If that is not practicable, the notice shall be published in English language in English newspaper and in vernacular language in a vernacular newspaper, both having wide circulation in the State where the registered office of the Company is situated and such notice shall also be posted on the website, if any, of the Company. Such notice shall be published not less than seven days before the meeting exclusive of the day of publication of the notice and day of the meeting.

Upon a requisition of members complying with Section 111 of the Companies Act, the Directors shall duly comply with the obligation of the Company under the said Act relating to circulation of members resolutions and statements.

A certificate in writing, signed by the Secretary or by a Director or some officer appointed by the Directors for the purpose, to the effect that according to the best of his belief the notice convening the meeting have been duly given shall be conclusive evidence thereof.

No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business or statement of which has not been specified in the notice covering the meeting, except as provided in the Companies Act.

Votes of Members

Votes may be given either personally or by proxy (only on poll) or in the case of a body corporate also by a representative duly authorized under Section 113 of the Companies Act.

A member may exercise his vote at a general meeting by electronic means in accordance with Section 108 of the Companies Act and rules, the Listing Regulations and shall vote only once.

On a show of hands, every holder of equity shares entitled to vote and present in person shall have one vote and upon a poll every holder of equity shares entitled to vote and present in person or by proxy shall have voting rights in proportion to his share in the paid-up equity Capital of the Company.

(b) Every holder of a preference share in the capital of Company shall be entitled to vote at a General Meeting of Company only in accordance with the limitations and provisions laid down in Section 47(2) of the Companies Act.

A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians, if more than one to be selected in case of dispute by the Chairman of the Meetings.

Subject to the provisions of the Act, no member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or be reckoned in a quorum whilst any call or other sums shall be due and payable to the Company in respect of any of the shares of such member.

On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

Where there are joint registered holder of any shares, any one of such persons may vote at any meeting in respect of shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting then one of the said person so present whose name stands first on the register in respect of such shares shall alone be entitled to vote in respect thereof. Where there are several executors or administrators of a deceased member in whose sole name any shares stand, any one of such executors or administrators may vote in respect of such shares unless any other of such executors is present at the meeting at which such vote is tendered and object to the votes in which case no such vote shall be exercised except with the unanimous consent of all the executors or administrators present.

Any person entitled under the transmission Article (Article 61) of the Articles of Association to transfer any share shall not be entitled to be present, or to vote at any meeting either personally or by proxy, in respect of such shares, unless at least forty-eight hours before the time for holding the meeting or adjourned meeting as the case may be, at which he proposes to be present and to vote, he shall have satisfied the Directors of his right to transfer such shares (as to which the opinion of the Directors shall be final) or unless the Directors shall have previously admitted his right to vote in respect thereof.

No objection shall be made to the validity of any vote or the qualification of any voter except at the meeting or poll at which such vote is tendered and every vote whether given personally or by proxy or by any means hereby authorized, and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

Subject to the provisions of the Act and these Articles, the Chairman of any meeting shall be the sole judge of the validity of every vote tendered or given at such meeting and subject as aforesaid, the Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Proxies

Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself but a proxy so appointed shall not have any right to speak at the meeting and shall not be entitled to vote except on a poll.

Every proxy shall be appointed by an instrument in writing signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its seal or be signed by an Officer or an attorney duly authorized by it.

The instrument of proxy shall be deposited at the office of the Company not less than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. No instrument appointing proxy shall be valid after the expiration of twelve months from the date of its execution except in the case of the adjournment of any meeting first held previously to the expiration of such time.

Every member entitled to vote at a meeting of the Company according to the Articles of Association on any resolution to be moved thereat, shall be entitled, during the period beginning twenty four hours before the time fixed for the commencement of the meeting of the Company according to the provisions of the Articles of Association on any resolution to be moved thereat, shall be entitled, during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect, the proxies lodged at any time during the business hours of the Company provided not less than three days' notice in writing of the intention so to inspect is given to the Company.

An instrument appointing a proxy shall be in such form as may be prescribed by the Companies Act from time to time.

If any such instrument be confined to the object of appointing a proxy for voting at a meeting of the Company, it shall remain permanently or fix such time as the Directors may determine, in the custody of the Company, and if embracing other objects, a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or subsequent insanity of the principal or revocation of the proxy under such proxy was, signed or the transfer of the shares in respect of which the vote is given provided that no intimation in writing of the death, insanity revocation or transfer shall have been received at the office of the Company before the meeting.

Directors

Subject to the provisions of Section 149 of the Companies Act, the number of Directors shall not be less than three, and unless otherwise determined by the Company in General Meeting, not more than as stipulated under the Companies Act. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the Listing Regulations.

However, atleast one of the Directors so appointed, shall be a woman director.

However, atleast one of the Directors so appointed, shall be a person who has resided in India for a period of atleast 182 days in the previous calendar year.

However, atleast one third of the total number of Directors or atleast 2 of them, whichever is higher, shall be Independent Directors

Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act or as defined in the definition clause of the Articles of Association. Notwithstanding anything contained in the Articles of Association, the terms of appointment, manner of selection, remuneration, tenure of office, etc. of an Independent Director shall be subject to the provisions of the Section 149 of the Companies Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and subject to the requirements prescribed under the Listing Regulations.

Independent Director shall not be liable to retire by rotation

The Company may agree with any financial institution or any authority or person or State Government that in consideration of any loan or financial assistance of any kind whatsoever, which may be rendered by it to the Company, it shall till such time as the loans or financial assistance is outstanding have power to nominate one or more Directors on the Board of the Company and from time to time remove and re-appoint such Directors and to fill in any vacancy caused by the death or resignation of such Directors otherwise ceasing to hold office. Such Nominee Directors shall not be required to hold any qualification shares nor shall they be liable to retire by rotation."

Any trust deed for securing debentures or debenture-stock may if so arranged provide for the appointment from time to time by the Trustees therefore or by the holders, of the debentures or debenture-stock of some person to be a Director of the Company and may empower such trustees or holder of debentures or debenture-stock from time to time to remove any Director so appointed. The Director appointed under this Article is herein referred to as the "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or, subject to the provision of the Companies Act, be removed by the Company. The trust deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

The Board may appoint an alternate Director (not being a person holding any alternate directorship for any other director in the Company) to act for a director (hereinafter called "the Original Director") during his absence for a period of not less than three months from India. However, no person shall be appointed as an alternate director for an Independent Director unless he is qualified to be appointed as an independent director under the Act. Such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director, shall be entitled to receive notice of meetings of the Board and to attend and vote thereat accordingly. An Alternate Director appointed under provisions of the Articles of Association should not hold office as such for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office, if and when the Original Director returns to India. If the term of office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re- appointment of a retiring director in default of any other appointment shall apply to the Original Director and not to the Alternate Director. Such Alternate Director shall not be required to hold any qualification shares.

Any casual vacancy occurring in the office of a Director before the term of office of such Director expires, may be filled up by the Directors at a meeting of the Board. Any person so appointed would have held office, if the vacancy had not occurred and shall hold office only upto the date upto which the Director in whose place he is so appointed would have held the office if it had not been vacated. Provided that, where a vacancy is created by removal of a director, the director who was removed from office shall not be re-appointed as the director by the Board.

The Directors shall have power at any time and from time to time to appoint a person or persons, other than a person who fails to get appointed as a director in a general meeting, as Additional Director or Directors. Such Additional Director shall hold office only up to the date of the next Annual General Meeting of the Company or the last date on which the Annual General Meeting should have been held, whichever is earlier, but shall be eligible for re- election at that meeting as a Director, provided that the number of Directors and the Additional Director together, shall not exceed the maximum strength fixed by the Board by provisions of the Articles of Association hereof.

A Director of the Company shall not be bound to hold any qualification shares.

Subject to the provisions of Section 197 of the Companies Act and other applicable provisions, if any, the remuneration payable to the Director of the Company shall be as hereinafter provided.

(a) The fees payable to a Director for attending a meeting of the Board or a Committee of the Board of Directors from time to time shall be within the maximum limits of such fees that may be prescribed under Section 197 of the Companies Act, or if, not so prescribed in such a manner as the Directors may determine from time to time in conformity with the provisions of law. The Directors shall be paid such further remuneration if any, either on the basis of percentage on the net profits of the Company or otherwise, as the Company in General Meeting shall from time to time determine, and such additional remuneration and further remuneration shall be divided amongst the Directors in such proportion and manner as the Board may from time to time determine, and in default of such determination, shall be divided amongst the Directors equally.

(b)The Board of Directors may in addition allow and pay to any Director who is not a bonafide resident of the place where a meeting of the Board or Committee or a general meeting of the Company is held, and who shall come to the place for the purpose of attending the meeting, such sum as the Board may consider fair compensation for his traveling, hotel, boarding, lodging and other expenses incurred in attending or returning from meetings of the Board of Directors, or any Committee thereof or general meetings of the Company.

(c) If any Director shall be called upon to go or reside out of his usual place or residence on the Company's business or otherwise perform extra service outside the scope of his ordinary duties, the Board may arrange with such Director for such special, remuneration for such service either by way of salary, commission, or the payment of stated sum of money as they shall think fit, in addition to or in substitution of his remuneration above provided, and all the Directors shall be entitled to be paid or reimbursed or repaid any traveling, hotel and other expenses incurred or to be incurred in connection with the business of the Company and also to be reimbursed all fees for filing all document which they may be required to file under the provisions of the Act.

(d) An Independent Director shall not be entitled to any stock options.

(e) The Company shall, in accordance with Section 197 (12) of the Companies Act, disclose in its' Board's report, the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for every financial year.

The Continuing Directors may notwithstanding any vacancy in their body but subject to the provisions of the Act, if the number falls below the minimum number above fixed and notwithstanding the absence of a quorum, the Directors may act for the purpose of filing up vacancies or for summoning a General Meeting of the Company.

The office of a Director shall become vacant:

(a) On happening any of the events provided for in Section 167 of the Companies Act;

(b) In the case of alternate Director on return of the original Director to the state in terms of Section 161 of the Companies Act; or

(c) On resignation of his office by notice in writing and is accepted by the Board.

    (a) Subject to provisions of the Companies Act and the Articles of Association, no director shall be disqualified by his office from contracting with the Company for any purpose and in any capacity whatsoever including either as vendor, purchase, agent, broker, underwriter of shares and debentures of the Company or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be void, nor shall any Director, so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relationship thereby established, but it is hereby declared that nature of his interest must be disclosed by him.

    (b) Every Director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding.

    (c) Every Director who is in any way whether directly or indirectly concerned or interested in any contract or arrangement or proposed contract or arrangement entered into or to be entered into:

        (i) with a body corporate in which such Director or such Director in association with any other Director, holds more than two per cent. shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or

        (ii) with a firm or other entity in which, such Director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at a meeting of the Board in which such contract or arrangement is discussed and shall not participate in such meeting.

Provided that where a Director was not concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

(d) Nothing contained in clause (b) (c) and (d) hereof shall apply to any contract or arrangement entered into or to be entered into between the Company and any other Company where any one of the Directors of the Company or two or more of them together holds or hold not more than two percent of the paid up share capital in the other company.

Proceedings of the Board

The Directors may meet together as a Board from time to time and at least four Board meetings shall be held in every year, and they may adjourn and otherwise regulate their meetings as they deem fit. Provided that not more than 120 days shall intervene between two consecutive Board meetings. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that a meeting of the Board which had been called in compliance with the terms herein mentioned could not be held for want of quorum.

Every Director present at any meeting of the Board or of a committee thereof shall sign his or her name in a book to be kept for that purpose.

A Director or the Managing Director may at any time and the Secretary upon the request of a Director shall convene a meeting of the Directors. Not less than 7 days notice alongwith agenda of every Board Meeting shall be given to all the Directors and their Alternate at their address registered with the Company in accordance with Section 173 of the Companies Act.

However, a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director, shall be present at the meeting.

However, in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one Independent Director, if any.

The quorum for a meeting of the Board of Directors shall be one-third of the total strength of the Board of Directors (excluding Directors, if any, whose places may be vacant at the time, and any fraction contained in that one- third being rounded off as one) or two Directors, whichever is higher, and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum, provided that where at any time, the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of remaining Directors that is to say the number of Directors who are not interested and are present at the meeting, not being less than two shall be the quorum during such meeting.

If a meeting of the Board of Directors cannot be held for want of quorum, then the meeting shall stand adjourned by three (3) days and at such time and place as the Chairman may decide. If that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place or to such day, time and place as the Directors present may determine.

If no chairman is elected or if at any meeting the Chariman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one of them as the chairman of the meeting.

Questions arising at any meeting of the Board shall be decided by a majority of votes provided such majority shall include the affirmative vote of at least two non-retiring Directors if any appointed by Promoters under this Article above or of his alternate Director, if any, or of the Managing Director, if any appointed by the Board pursuant to the Articles of Association. In case of an equality of votes, the Chairman shall have a second or casting vote. Provided that if any Non-Retiring Director or his Alternate Director or the Managing Director aforesaid is unable to attend a meeting of the Board of the Board but addresses a written communication to the Board expressing his concurrence or approval to the passing of any particular resolution or resolutions by the Board, such communication shall for the purpose of this, be deemed to be his affirmative vote.

The Board shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorized to exercise, and do. Provided that the Board shall not exercise any power or do any act or thing which is directed or required or otherwise to be exercised or done by the Company in General Meeting. Provided further that in exercising any such act or thing the Board shall be subject to the provisions contained in that behalf in the Companies Act or in the Memorandum of Association or in the Articles of Association or in any regulations not inconsistent therewith duly made thereunder including regulations made by the Company in General Meeting.

No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Duties of Directors

Subject to the provisions of the Companies Act, a Director of a Company shall act in accordance with the Articles of Association of the Company.

A Director of a Company shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.

A Director of a Company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

A Director of a Company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.

A Director of a Company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such Director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.

A Director of a Company shall not assign his office and any assignment so made shall be void.

Key Managerial Personnel/Managing Director/Whole -Time Director

Subject to Section 203 of the Companies Act and any other applicable provisions of the Companies Act, the Company shall appoint by means of resolution of the Board, the following Key managerial Personnel:

(a) Managing Director, or Chief Executive Officer or Manager and in their absence;

(b) a whole-time Director;

(c) Company Secretary; and

(d) Chief Financial Officer.

Every whole-time key managerial personnel of a company shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration.

A whole-time Key Managerial Personnel shall not hold office in more than one company except in its subsidiary company at the same time.

However, nothing contained in the Articles of Association shall disentitle a Key Managerial Personnel from being a director of any company with the permission of the Board.

However, the Company may appoint or employ a person as its Managing Director, if he is the Managing Director or Manager of one, and of not more than one, other company and such appointment or employment is made or approved by a resolution passed at a meeting of the Board with the consent of all the Directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the Directors then in India.

If the office of any whole-time Key Managerial Personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy."

A provision of the Act or these Articles requiring or authorising a thing to be done by or to be a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

Dividends

The profits of the Company, subject to the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid upon the shares held by them respectively. However, any capital paid up or credited as paid up on a share during the period in respect of which a dividends declared shall, unless the terms of issue otherwise provide, only entitle the holder of such shares to an apportioned amount of such Dividend proportionate to the capital from time to time paid up during such period on such share.

Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Companies Act.

Where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest confer a right to dividend or to participate in profits.

The Company may pay dividends in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up or credited as paid up on some shares than on others.

The Company in General Meeting may, subject to the provisions of Section 123 of the Compannies Act, declare a dividend to be paid to the members according to their respective rights and interests in the profits and subject to the provisions of the Companies Act, may fix the time for payment. When dividend has been so declared, subject to the provisions of Section 127 of the Companies Act, either the dividend shall be paid or the warrant in respect thereof shall be posted within 30 days of the date of declaration to the shareholders entitled to the payment of the same.

No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend. No dividend shall be payable except out of the profits of the year or any other undistributed profits of the Company, or otherwise than in accordance with the provisions of the Act and no dividend shall carry interest as against the Company. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

The Directors may, from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.

Wherein an instrument of transfer of shares of the Company has been delivered to the Company for the registration and the transfer of such shares has not been registered by the Company, it shall comply with the provisions of Section 126 of the Companies Act in respect of the dividend, right, shares and bonus shares in relation to such shares.

No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever either alone or jointly with any other person or persons, and the Directors may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.

A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the Transfer.

No unclaimed or unpaid dividend shall be forfeited by the Board and unless otherwise directed any dividend may be paid by cheque or warrant sent through post or in any electronic mode to the Registered address of the member or person entitled or in case of joint holders to that on of them first named in the Register in respect of the joint holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or other person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.

The Company shall duly comply with the provisions of the Companies Act in respect of a dividend declared by it but which has not been paid or claimed within thirty days from the day of declaration to any shareholder entitled to the payment of dividend.

(a) If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank to be called the "Unpaid Dividend Account of [●].

(b) Any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. "Investors Education and Protection Fund.

(c)No unpaid or unclaimed Dividend shall be forfeited by the Board until the claim becomes barred by Law.

Any General Meeting declaring a dividend may on the recommendation of the Directors makes a call on the members for such amount as the meeting fixes, but so that the call to each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so warranted between the Company and members, be set off against the call.

Capitalisation of Profits

(a) Any General Meeting may resolve that any amounts standing to the credit of the Share Premium Account, the Capital Redemption Reserve Account, or any moneys, investments or other assets forming part of the undivided profits (including profits or surplus monies arising from the realization and where permitted by the law, from the appreciation in value of any General Reserve, or any Reserve Fund or any other Fund of the Company or in the hands of the Company and available for dividend) be capitalized;

(i) By the issue and distribution as fully paid up shares or debentures of the Company; or

(ii) By crediting shares of the Company which may have been issued to and are not fully paid up with the whole or any part of the remaining unpaid thereon.

However, any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account shall be applied only in crediting the payment of capital on shares of the Company to be issued to members (as herein provided) as fully paid bonus shares.

(b) Such issue and distribution under clause (a) (i) above and such payment to credit of unpaid share capital under clause (a) (ii) above shall be made to, among and in favour of the members of any class of them or any of them entitled thereto in accordance with their respective rights and interest and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under clause (a) (i) or payment under clause (1) (ii) above shall be made on the footing that such members become entitled thereto as capital.

(c) The Directors shall give effect to any such resolution and apply such portion of the profits general reserve or reserve fund or any other fund or Account as aforesaid as may be required for the purpose of making payment in full for the shares of the Company so distributed under clause (a) (ii) above or (as the case may be) or purpose of paying in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully Paid up under sub-clause (a) (ii) above provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalized sum.

(d) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the Distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for the distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash or shares in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangements for the acceptance allotment and sale of such shares and fractional certificates or otherwise as they may think fit.

(e) In cases where some of the shares of the Company are fully paid and others are partly paid only, such capitalisation may be affected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of the fully paid shares, and the partly paid shares, the sum so applied on the payment of such further shares and in the extinguishment or dimuinution of the liability on the partly paid shares shall be so applied pro-rata in proportion to the amount then already paid or credited as paid on the existing fully paid shares respectively.

(f) When deemed requisite, a proper contract shall be filed in accordance with the Companies Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

Winding up

If the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed among the members in proportion to the capital paid up at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively. But, without prejudice to rights of the holders of shares issued upon special terms and conditions.

If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of special Resolution but subject to the rights attached to any preference share capital, divide amongst the contributories, in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributors or any of them, as the liquidators, with the like sanction shall think fit.

If thought expedient any such division may, subject to the provisions of the Companies Act, be otherwise than in accordance with the legal rights of the contributories (expect where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part in case any such division shall be determined, any contributory who would be prejudiced thereby shall have right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to the provisions of the Companies Act.

(c) In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution, by notice in writing, intimate to the liquidator to sell his proportion and pay him the net proceeds and the liquidator shall, if practicable, act accordingly.

A special resolution sanctioning a sale to any other Company duly passed pursuant to the provisions of the Companies Act may, subject to the provisions of the Companies Act, in like manner as aforesaid determine that any shares or other consideration receivable by the liquidator be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the member subject to the rights of dissent and consequential rights conferred by the Companies Act.

Indemnity and Insurance

Every Director of the Company or the Managing Director, Manager, Secretary and other officer or employee of the Company and the Trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them shall be indemnified by the Company against, and it shall be the duty of the Directors out of funds of the Company to pay all costs, losses and expenses (including traveling expenses) which any such Director, Managing Director, Manager, Secretary or other officer or employee and the trustees (if any) for the time being acting in relation to any of the affairs of the Company may incur or become liable to by reason of any contract entered into or any act, deed or thing done by him as such Director, Officer, employee or trustees or in any way in the discharge of his duties.

However, every Director, Managing Director, Manager, Secretary or other Officer or Employee of the Company or the Trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them shall be indemnified against any liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in which relief is given to him by the Court.

No Director, Managing Director or other officer of the Company shall be liable for the acts, omissions, neglect or default of any Director or Officer or for jointly in any omission or other act for confirmity or for any loss or expenses suffered by the Company through insufficiency or deficiency, of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from bankruptcy, insolvency, or tortuous act of any person Company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part or for any other loss or damages or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonestly.

The Company shall have among its objective the promotion and growth of the national economy through increased productivity, effective productivity, effective utilization of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations, and the Company shall be mindful of its social and moral responsibilities to the customers, employees, shareholders, society and the local community.

Whenever in the Companies Act, it has been provided that the Company shall have any right, privileges or authority or that the Company could carry out any transaction only if the Company is authorized by the Articles of Association, then and in that case this regulation hereto authorizes and empowers the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Companies Act, without there being any specific regulation in that behalf herein provided.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been attached to the copy of the Red Herring Prospectus delivered to RoC for registration. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10.00 a.m. and 5.00 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated September 29, 2016 between our Company and the Lead Managers.
2. Registrar Agreement dated September 26, 2016 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated [●] between our Company, the Lead Managers, the Escrow Collection Bank, the Syndicate Members and the Registrar to the Issue.
4. Syndicate Agreement dated [●] between our Company, the Lead Managers and Syndicate Members.
5. Underwriting Agreement dated [●] between our Company, the Lead Managers and the Syndicate Members and the Registrar to the Issue.
6. Monitoring Agency Agreement dated [●] between our Company and [●].

B. Material Documents in relation to the Issue

1. Certified copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Certificate of incorporation dated May 12, 2000 upon incorporation, fresh certificate of incorporation consequent upon upon conversion to a public limited company dated May 3, 2011.
3. Resolutions of the Board of Directors dated July 23, 2016 and September 24, 2016 in relation to this Issue and other related matters.
4. Shareholders' resolution dated September 16, 2016 in relation to this Issue and other related matters.
5. Resolution of the IPO Committee dated September 29, 2016 approving this Draft Red Herring Prospectus.
6. Letter dated February 11, 2016 for appointment of Ignatius Navil Noronha as the Managing Director of our Company.
7. Letter dated April 25, 2014 for appointment of Ramakant Baheti as the Chief Financial Officer and Executive Director of the Company.
8. Letter dated June 10, 2015 for appointment of Elvin Machado as the Executive Director of our Company.
9. Scheme of Amalgamation.
10. The examination reports of the Statutory Auditors, on our Company's Restated Standalone Financial Information and Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus.
11. Copies of the annual reports of our Company for the Financial Years 2016, 2015, 2014, 2013 and 2012.
12. Statement of Tax Benefits dated September 16, 2016 from Jhawar Mantri & Associates, Chartered Accountants.
13. Copies of auditor's reports and director's reports of our Company for Financial Years 2016, 2015,

2014, 2013 and 2012.

14. Consent of Directors, Statutory Auditors, Lead Managers, Syndicate Members, Legal Counsel to our Company as to Indian law, Legal Counsel to the Underwriters as to Indian law, International Legal Counsel to the Underwriters, Registrar, Escrow Collection Bank, Refund Bank(s), Bankers to our Company, Lenders to our Company, Company Secretary and Compliance Officer, Chief Financial Officer and Monitoring Agency as referred to in their specific capacities.

15. Our Company has received written consent from the Statutory Auditors, namely, Dalal & Shah LLP, Chartered Accountants to include its name as an expert under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to the reports of the Statutory Auditors dated September 29, 2016, on the Restated Standalone Financial Information and Restated Consolidated Financial Information of our Company, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus. A written consent under the provisions of the Companies Act, 2013 is different from a consent filed with the U.S. Securities and Exchange Commission under Section 7 of the Securities Act which is applicable only to transactions involving securities registered under the Securities Act. As the Equity Shares are proposed to be offered as a part of an initial public offering in India and the Equity Shares have not been and will not be registered under the Securities Act, the Statutory Auditors have not given consent under Section 7 of the Securities Act. In this regard, the Statutory Auditors have given consent to be referred to as “experts” in this Draft Red Herring Prospectus in accordance with the requirements of the Companies Act, 2013. The term “experts” as used in this Draft Red Herring Prospectus is different from those defined under the Securities Act which is applicable only to transactions involving securities registered under the Securities Act. The reference to the Statutory Auditors as “experts” in this Draft Red Herring Prospectus is not made in the context of the Securities Act but solely in the context of this initial public offering in India.

16. Consent of Jhawar Mantri & Associates, Chartered Accountants to include name as experts in respect to the statement of tax benefits dated September 16, 2016 included in this Draft Red Herring Prospectus.

17. Technopack Report and consent of Technopack to include its name as experts in respect to the Technopack Report and including the details of the Technpack Report in this Draft Red Herring Prospectus.

18. Architect Certificate and consent dated September 27, 2016 from Liladhar Parab, Architect & Designers to include its name as experts in respect to the Architect Certificate and including details from the Architect Certificate in this Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus.

19. Tripartite Agreement dated September 1, 2015 amongst our Company, NSDL and Registrar to the Issue.

20. Tripartite Agreement dated August 22, 2016 amongst our Company, CDSL and Registrar to the Issue.

21. Due Diligence Certificate dated September 29, 2016 addressed to SEBI from the Lead Managers.

22. In principle listing approvals dated [●] and [●] issued by the BSE and the NSE respectively.

23. SEBI observation letter no. [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules or guidelines issued by the Government or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

________________________	**Ramesh S. Damani** ***(Chairman and Independent Director)***
________________________	**Chandrashekar B. Bhave** ***(Independent Director)***
________________________	**Manjri Chandak** ***(Non-executive Director)***
________________________	**Ignatius Navil Noronha** ***(Managing Director)***
________________________	**Ramakant Baheti** ***(Chief Financial Officer and Executive Director)***
________________________	**Elvin Machado** **(*Executive Director*)**

Place: Mumbai
Date: September 29, 2016