

AVENUE SUPERMARTS LIMITED

CIN: U51900MH2000PLC126473

Regd. Office: Anjaneya CHS Limited, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai - 400 076

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E-mail: info@dmartindia.com **Website:** www.dmartindia.com

NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the members of **AVENUE SUPERMARTS LIMITED** will be held on Friday, 16th September, 2016, at 11.30 A.M at Rodas, Central Avenue, Hiranandani Gardens, Powai, Mumbai - 400 076 to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Accounts

- a) To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2016 together with the Reports of the Board of Directors and Auditors thereon;
- b) To receive, consider and adopt the Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2016 together with the Report of the Auditors thereon;

2. Retirement by Rotation

To appoint a Director in place of Mrs. Manjri Aditya Chandak (DIN: 03503615), who retires by rotation and being eligible offers herself for re-appointment;

3. Appointment of Auditors

To appoint M/s. Dalal and Shah, Chartered Accountants (Firm Registration No. 102021W) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Nomination & Remuneration Committee, Mr. Chandrashekhkar Bhaskar Bhawe (DIN: 00059856), who was appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the conclusion of this Annual General Meeting and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013 from a shareholder proposing his candidature for the office of Director and who qualifies being an Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation under Section 149(13) of the Companies Act, 2013, for a tenure of 5 (five) consecutive years commencing from 17th May, 2016.”

RESOLVED FURTHER THAT any one of the Directors or the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things as maybe necessary from time to time to give effect to the above resolution.”

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

“RESOLVED THAT pursuant to Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s), enactment/re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as “the Board” which shall include any Committee(s) thereof), to create mortgage(s), pledge, charge(s), hypothecation and/or floating charge(s) in addition to the existing mortgages, hypothecations, charges created/ to be created by the 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 immovable and/or movable assets/properties of the Company, present and future, of every nature and kind whatsoever, and undertaking of the Company in certain events, to secure loans and/or borrowings of the 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 Rs. 2000,00,00,000/- (Rupees Two Thousand Crores only) from the Financial Institutions/banks and other agencies/parties to be issued by the 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 the Company and expenses including any increase as a result of devaluation/ revaluation/fluctuation in the rates of exchange and all other moneys payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed (s) or any other document, entered into/to be entered into between the 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 of Directors or Committee thereof and the lenders/Agents/Trustees in such manner and in such form as may be deemed prudent, desirable and necessary by the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors be and is hereby severally authorised to take all necessary steps and do all necessary things in this regard in order to comply with all the legal and procedural formalities and further to authorize any of its Committee Member(s)/Director(s) or any Officer (s) of the Company to do all such acts, deeds or things as may be necessary to give effect to the aforesaid resolution and matter related thereto.”

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

“RESOLVED THAT the consent of the members be and is hereby accorded under the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, (including any amendment, modification, variation or re-enactment thereof for the time being in force) to authorize the Board of Directors to borrow, from time to time, all such sum or sums of money (including external commercial borrowings in foreign denominated currencies from any foreign sources, as prescribed by the statutory guidelines, if any, in this regard) in such manner as they may be deemed necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the 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 share capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose; provided that the total amount up to which monies may be borrowed by the Board of Directors of the Company and which shall remain outstanding at any given point of time shall not exceed Rs. 2000,00,00,000/- (Rupees Two Thousand Crores Only).

RESOLVED FURTHER THAT the Board be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such borrowings, from time to time, viz. terms as to interest, repayment, security or otherwise as it may deem fit and to sign and execute all such documents, deeds and writings and to do all such acts, deeds, matters and things as may be deemed necessary, expedient and incidental thereto and to delegate all or any of its powers herein conferred to any Committee of Directors and/ or director(s) and/or officer(s) of the Company, to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the rules made thereunder, as amended, along with relevant provisions of the Companies Act, 1956, to the extent that such provisions have not been superseded by the Companies Act, 2013 or de-notified (collectively referred to as the **“Companies Act”**), and the provisions of the Memorandum of Association and the Articles of Association of the Company and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **“SEBI Listing Regulations”**), and subject to any approvals from the Government of India (**“GoI”**), the relevant Registrar of Companies (**“RoC”**), the Securities and Exchange Board of India (**“SEBI”**), the Reserve Bank of India (**“RBI”**), the Foreign Investment Promotion Board (**“FIPB”**) and all other appropriate statutory and other authorities and departments, and such other approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions and sanctions, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **“Board”**) which term shall include a duly authorised committee thereof for the time being exercising the powers conferred by the Board including the powers conferred by this resolution) and in accordance with and subject to the provisions of the Securities Contracts (Regulation) Act, 1956 (**“SCRA”**), and the rules made thereunder, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the **“SEBI Regulations”**) and any other applicable rules, regulations, guidelines, clarifications, circulars and notifications issued by SEBI and any other applicable laws, rules and regulations, in India or outside India (including any amendment thereto or re-enactment thereof for the time being in force) (the **“Applicable Laws”**), the consent and approval of the shareholders be and is hereby accorded to create, issue, offer and allot in the Issue such number of the equity shares of face value Rs.10 each of the Company (the **“Equity Shares”**), for cash either at par or premium or discount aggregating up to Rs. 20,000 million (with an option to the Company to retain an over-subscription to the extent of 10% of the Issue size, or such other extent as may be permitted under the SEBI Regulations, for the purpose of rounding off to the nearest integer while finalizing the basis of allotment) at a price to be determined by the book building process in terms of the SEBI Regulations or otherwise in accordance with Applicable Laws, at such premium or discount per Equity Share as allowed under Applicable Laws and as may be fixed and determined in accordance with the SEBI Regulations, out of the authorised capital

of the Company to any category of person or persons as permitted under Applicable Laws, who may or may not be the shareholder(s) of the Company as the Board may at its sole discretion decide, including anchor investors, if any, one or more of the members, employees (through a reservation or otherwise), Hindu Undivided Family, foreign institutional investors and sub-accounts, foreign portfolio investors, venture capital funds, alternative investment funds, foreign venture capital investors, multilateral and bilateral financial institutions, state industrial development corporations, insurance companies, provident funds, pension funds, insurance funds set up by army, navy, or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India, development financial institutions, Indian mutual funds, non resident Indians, members of group companies, Indian public, bodies corporate, companies (private or public) or other entities, authorities, and to such other persons in one or more combinations thereof, whether through the initial public offering or otherwise in one or more modes or combinations thereof and/or any other category of investor as per be permitted to invest under Applicable Laws and in one or more tranches, in consultation with the BRLMs and/or underwriters and/or the stabilizing agent and/or other advisors or such persons appointed for the Issue and on such terms and conditions as may be finalised by the Board and that the Board may finalise all matters incidental thereto as it may in its absolute discretion think fit.”

“RESOLVED FURTHER THAT the Board is hereby authorised to make available for allocation a portion of the Issue to any category(ies) of persons permitted under Applicable Law, including without limitation, eligible employees, business associates/suppliers and/or shareholders of listed group companies (the **“Reservation”**) or to provide a discount to the issue price to retail individual bidders or eligible employees (the **“Discount”**); and to take any and all actions in connection with any Reservation or discount as the Board may think fit or proper in its absolute discretion, including, without limitation, to negotiate, finalize and execute any document or agreement, and any amendments, supplements, notices or corrigenda thereto; seek any consent or approval required or necessary; give directions or instructions and do all such acts, deeds, matters and things as the Board may, from time to time, in its absolute discretion, think necessary, appropriate, or desirable; and settle any question, difficulty, or doubt that may arise with regard to or in relation to the foregoing.”

“RESOLVED FURTHER THAT the Equity Shares so allotted under the Issue shall be subject to the Memorandum of Association and the Articles of Association of the Company and shall rank *pari passu* in all respects with the existing equity shares of the Company except dividend provided that the investors who are allotted or transferred Equity Shares pursuant to the Issue shall be entitled to participate in dividends, if any, declared by the Company after the allotments and transfer of Equity Shares pursuant to the Issue, in compliance with the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the rules made thereunder, as amended, along with relevant provisions of the Companies Act, the SEBI Listing Regulations to be entered into with the Stock Exchanges and other Applicable Law.”

“RESOLVED FURTHER THAT the Equity Shares issued pursuant to the Issue shall be listed at one or more recognized stock exchanges in India.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to delegate all or any of the powers herein conferred in such manner as it may deem fit.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions and any issue and allotment of Equity Shares pursuant to the Issue, the shareholders authorises the Board and the IPO committee to determine the terms of the Issue including the class of investors to whom the securities are to be allotted, the number of securities to be allotted in each tranche, issue price, premium amount, discount (as allowed under Applicable Laws), listing on one or more stock exchanges in India as the Board in its absolute discretion deems fit and do all such acts, deeds, matters and things and to negotiate, finalize and execute such deeds, documents and agreements, as it may, in its absolute discretion, deem necessary, proper or desirable including arrangements with BRLMs, underwriters, escrow agents, legal advisors, etc., to approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Issue and to settle or give instructions or directions for settling any questions, difficulties or doubts that may arise, in regard to the offering, issue, allotment and transfer of Equity Shares pursuant to the Issue and utilization of the Issue proceeds, if applicable and such other activities as may be necessary in relation to the Issue and to accept and to give effect to such modifications, changes, variations, alterations, deletions and/or additions as regards the terms and conditions, as it may, in its absolute discretion, deem fit and proper in the best interest of the Company and the Issue, without requiring any further approval of the members and that all or any of the powers conferred on the Company and the Board pursuant to these resolutions may be exercised by the Board or such Committee thereof as the Board may constitute in this behalf.”

“RESOLVED FURTHER THAT the Equity Shares to be issued under the Issue which are not subscribed could be disposed off by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion think most beneficial to the Company including offering or placing them with banks/financial institutions/ investment institutions/mutual funds/foreign institutional investors/bodies corporate/such other persons or otherwise as the Board may, subject to applicable law, in its absolute discretion decide.”

“RESOLVED FURTHER THAT in connection with any of the foregoing resolutions, the members of the Board and such other persons as may be authorized by the Board, on behalf of the Company, be and are hereby severally authorized to

execute and deliver any and all other documents, papers or instruments and to do or cause to be done any and all acts or things as may be necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing resolutions for the Issue; and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Company.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the existing set of Articles of Association of the Company, as placed before the meeting be and is hereby substituted with new set of Articles of Association placed before the shareholders and the same be approved and be adopted as new Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including a Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“**RESOLVED THAT** pursuant to the provisions contained in the Articles of Association and Sections 62(1)(b) and rules made thereunder and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the “**Companies Act**”), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the “**SEBI ESOP Regulations**”) and any other applicable laws for the time being in force and subject to such approvals, consents, permissions and sanctions, as may be required, and further subject to such terms and conditions as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the “**Board**” which term shall be deemed to include any Committee, including the ESOP Committee constituted by the Board to exercise its powers conferred by this resolution) consent be and is hereby accorded to introduce and implement ‘Avenue Supermarts Limited Employee Stock Option Scheme 2016’ (the “**Scheme**”); and consent be and is hereby accorded by the shareholders to create, grant, offer, issue and allot at any time, to or for the benefit of such persons who are in permanent employment of the Company, whether working in India or outside India, including any managing or whole time directors of the Company (selected on the basis of criteria laid down in the Scheme) under the Scheme, such number of stock options exercisable into not more than 1,40,00,000 equity shares of the Company (“**Options**”), at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board in accordance with the Companies Act and the provisions of the Scheme.”

“**RESOLVED FURTHER THAT** in case of any corporate action(s) resulting in increase or decrease in the number of issued equity shares of the Company on account of any sub-division, consolidation or rights issue or bonus issues, or other similar change in the capital of the Company (with or without payment of any consideration), as applicable from time to time, if any additional equity shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the above ceiling of 1,40,00,000 equity shares of the Company shall be deemed to be increased to the extent of such additional equity shares issued.”

“**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be issued and allotted on exercise of Options granted under the Scheme and the exercise price of Options granted under the Scheme shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.10 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Options under the Scheme.”

“**RESOLVED FURTHER THAT** the ESOP Committee of the Board is authorised to function as the ‘ESOP Committee’ and to evolve, decide upon and bring into effect the Scheme and determine the detailed terms and conditions of the aforementioned Scheme, including but not limited to the quantum of the Options to be granted under the Scheme (not exceeding 1,40,00,000 equity shares), quantum of the Options to be granted per employee, the exercise period, the vesting period, instances where such Options shall lapse and to grant such number of Options, to such employees of the Company, pursuant to which equity shares shall be issued at the price, at such time and on such terms and conditions as set out in the Scheme and as the ESOP Committee may in its absolute discretion think fit and make any modifications, changes, variations, alterations or revisions in the Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the shareholders of the Company.”

“**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the Board is authorised to formulate, evolve, decide upon and implement the Scheme and determine the detailed terms and conditions of the aforementioned

Scheme and including but not limited to the quantum of the Options and equity shares to be granted per employee, the number of Options/ equity shares to be issued in each tranche, the terms or combination of terms subject to which the said Options/ equity shares are to be issued, the exercise period, the vesting period, the vesting conditions, instances where such Options shall lapse and to grant such number of Options, to such employees and directors of the Company, at par or at such other price, at such time and on such terms and conditions as set out in the Scheme and as the Board may in its absolute discretion think fit.”

“**RESOLVED FURTHER THAT** the Board may issue and allot equity shares upon exercise of Options from time to time in the manner aforesaid and such equity shares shall rank *pari passu* in all respects with the then existing equity shares of the Company.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the Board may do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the Scheme at any stage including at the time of listing of the equity shares issued herein.”

“**RESOLVED FURTHER THAT** the Board may make any modifications, changes, variations, alterations or revisions in the Scheme, as it may deem fit, from time to time or to suspend, withdraw or revive the Scheme from time to time in conformity with the provisions of the Companies Act and other applicable laws unless such variation, amendment, modification or alteration is detrimental to the interest of the employees who have been granted Options under the Scheme.”

“**RESOLVED FURTHER THAT** Mr. Ramakant Baheti, Whole-time Director & CFO and Mr. Ignatius Navil Noronha, Managing Director & CEO be and are hereby severally authorised to take all actions and do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, desirable or expedient in this behalf.”

“**RESOLVED FURTHER THAT** the Scheme so formulated shall be titled ‘Avenue Supermarts Limited Employee Stock Option Scheme 2016’. The broad parameters of the Scheme shall be as stated in the table below:

<p><i>Total number of Options to be granted</i></p> <p>The total number of Options that may in the aggregate be granted shall be such number that would entitle the grantees to acquire, in one or more tranches, such equity shares of the Company, not exceeding 1,40,00,000 equity shares of the Company to be issued under the Scheme (which number shall be adjusted in lieu of adjustments/ re-organisation of capital structure of the Company from time to time).</p> <p>One Option shall entitle an employee to one equity share of the Company.</p> <p>In case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division split or consolidation and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional equity shares are issued by the Company to the grantees for making such fair and reasonable adjustment, the ceiling of 1,40,00,000 equity shares of the Company shall be deemed to be increased to the extent of such additional equity shares issued.</p> <p>Options not vested due to non-fulfillment of the vesting conditions, vested Options which the grantees expressly refuse to exercise, Options (vested and not exercised and unvested) which have been surrendered and any Options granted but not vested or exercised within the stipulated time due to any reasons, shall lapse and these Options or the underlying equity shares will be available for grant under the present Scheme or under a new scheme, subject to compliance with the provisions of the Applicable Law.</p>
<p><i>Identification of classes of employees entitled to participate in the Scheme</i></p> <p>Persons who are permanent employees of the Company, working in or out of India, including managing or whole time directors of the Company, and that of the subsidiary companies, as may be decided by the Board or the ESOP Committee, shall be eligible to be granted Options under the Scheme.</p> <p>The following category of employees/directors shall not be eligible to participate in the Scheme:</p> <ul style="list-style-type: none"> a) an employee of the Company who is a promoter or belongs to the promoter group; b) a director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company; c) independent directors of the Company in terms of the Companies Act.
<p><i>Requirements of vesting and period of vesting</i></p> <p>Requirements for vesting: The Options shall vest in employees subject to continuing employment with the Company and compliance with the Scheme.</p>

Vesting period for Options: The applicable vesting period shall be as decided by the ESOP Committee. However, there shall be a minimum period one year between the date of the grant and the vesting.

Upon an option grantee discontinuing to be in permanent employment of the Company of which it is an employee due to: (a) resignation of the option grantee, or (b) termination of services of the employee with Cause (as defined in the Scheme), by the Company, any unvested Options shall stand cancelled and the vested Options will be required to be exercised within a period as stipulated by the ESOP Committee.

Exercise price or pricing formula and exercise period

The exercise period and equity shares shall be issued at a price shall be determined by the ESOP Committee in accordance with the Applicable Laws.

Exercise period or process of exercise

The exercise period would commence from the date of vesting of Options and will expire at the end of 3 months from the date of vesting of Options or such other period as may be determined by the ESOP Committee.

The Options will be exercisable by the employees by a written application to the Company accompanied by payment of the exercise price in such manner and on execution of such documents, as may be prescribed by the Board or ESOP Committee from time to time. The Options will lapse if not exercised within the specified exercise period.

The appraisal process for determining the eligibility of employees

The appraisal process for determining the eligibility of employees shall be determined by the ESOP Committee from time to time.

Disclosure and accounting policies

The Company shall comply with such applicable accounting policies as prescribed under the Companies Act and prescribed by the concerned authorities from time to time.

Other matters including valuation and lock-in

The ESOP Committee shall approve other terms relating to the Scheme as deemed appropriate including valuation method for determination of fair value and exercise price and lock-in, if any, of the equity shares to be issued pursuant to the grant of options.

By Order of the Board of Directors

**Sd/-
Ashu Gupta
Company Secretary
Membership No. 13449**

Place: Mumbai
Date: 23rd July, 2016

Registered Office:

AnjaneyaCHS Limited, Orchard Avenue
Opp. Hiranandani Foundation School,
Powai, Mumbai – 400 076

CIN: U51900MH2000PLC126473

Tel No: 022-40496500 **Fax:** 022-40496503

Website: www.dmartindia.com **Email:** info@dmartindia.com

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of total share capital of the Company carrying voting rights. A member holding more than ten percent, of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.**

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Annual General Meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply the same in the meeting.
4. Members attending the Annual General Meeting (AGM) of the Company are requested to hand over the enclosed Attendance Slip, duly filled in and signed in accordance with their specimen signatures registered with the Company for admission to the AGM hall.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Relevant documents referred to in the accompanying Notice and the Statement is open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.
7. Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection at the AGM.
8. The Register of Members and Transfer Books of the Company will be closed from Saturday 10th September, 2016 to Friday, 16th September, 2016. (Both days inclusive).
9. Members holding shares of the Company as on Friday, 9th September, 2016, shall be entitled to vote at the Annual General Meeting of the Company. A person who is not a member as on the cut-off date should treat this notice for information purposes only.
10. Brief profile of Director proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se, etc. as stipulated under Secretarial Standard on General Meeting ("SS-2"), is annexed to the Explanatory Statement.
11. In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, this Notice and the Annual Report of the Company for the financial year 2015-16 are being sent by e-mail to those Members who have registered their e-mail address with the Company or with the Company's RTA unless any Member has requested for the hard copy of the same. Physical copies of the Annual Report will be sent by way of permitted modes in case where the email addresses of the Members are not available with the Company.
12. A Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
13. Members may note that the Notice and the Annual Report 2015-16 shall be available on the Company's website www.dmartindia.com
- 14. Information and other instructions relating to voting through electronic means:**
 - a. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed in this notice by electronic means and the business may be transacted through e-Voting Services, the said resolutions will not be decided on a show of hands at the AGM.

- b. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting (AGM) (“remote e-voting”) will be provided by National Securities Depository Limited (“NSDL”).
- c. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- d. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- e. The members who have cast their vote by remote e-voting may attend the meeting but shall not be entitled to cast their vote again.
- f. The remote e-voting period commences on Tuesday, 13th September, 2016 (9:00 am) and ends on Thursday, 15th September, 2016 (5:00 pm). During this period members of the Company, holding shares as on the cut-off date of Friday, 9th September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be forthwith blocked by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL for members whose email ID’s are registered with the Company:

- i. Open email and open PDF File with your Folio No. as password. The said PDF file contains your user ID and Password / PIN for remote e-voting. Please note that the password is an initial password.
- ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- iii. Click on Shareholders login
- iv. Put user id and password / PIN noted in step (i) above. Click login.
- v. Password change menu appears. Change the password / PIN with the new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- vii. Select “EVEN” of “Avenue Supermarts Limited”.
- viii. Now you are ready for remote e-voting as Cast Vote page opens.
- ix. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- x. Upon confirmation, the message “Vote cast successfully” will be displayed.
- xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of relevant Board resolution / Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to hsk@rathianassociates.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM and e-voting Form [for members whose email IDs are not registered with the Company or requesting physical copy] :

- i. Initial password is mentioned in the e-voting Form
- ii. Please follow all steps from Sl. No (ii) to Sl. No (xii) above, to cast vote
- g. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222- 990
- h. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- i. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Friday, 9th September, 2016.
- j. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Friday, 9th September, 2016 may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

- k. If you forget your password, you can reset your password by using “Forget User Details / Password option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- l. A person, whose name is recorded in the register of members or in the register of beneficial owners as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- m. The Company has appointed Mr. Himanshu Kamdar (Membership No. 5171), Partner of M/s. Rathi & Associates, Company Secretaries, as scrutinizer (the ‘Scrutinizer’) for conducting the voting and remote e-voting process for the Annual General Meeting in a fair and transparent manner.
- n. The Chairman shall, at the AGM, at the end of discussion on the business matters on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- o. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman/Managing Director or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- p. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.dmartindia.com and on the website of NSDL immediately after the declaration of result by the Chairman/Managing Director or a person authorized by him in writing.

By Order of the Board of Directors

Sd/-
Ashu Gupta
Company Secretary
Membership No. 13449

Place: Mumbai
Date: 23rd July, 2016

Registered Office:

AnjaneyaCHS Limited, Orchard Avenue
Opp. Hiranandani Foundation School,
Powai, Mumbai – 400 076
CIN: U51900MH2000PLC126473
Tel No: 022-40496500 **Fax:** 022-40496503
Website: www.dmartindia.com **Email:** info@dmartindia.com

Item No. 4

Mr. Chandrashekhar Bhaskar Bhave (DIN: 00059856) was appointed as an Additional Directors w.e.f. 17th May, 2016, under section 161 of the Companies Act, 2013 and he continues to hold office of Director until the conclusion of the Annual General Meeting. As required under section 160 of the Companies Act, 2013, the Company has received a Notice in writing from a member along with the deposit of the requisite amount, signifying his intention to propose Mr. Bhave as a candidate for the office of Director of the Company. The Board is of the opinion that based on the declarations provided by Mr. Chandrashekhar Bhaskar Bhave, he fulfills the criteria relating to his independence as specified in Section 149(6) of the Companies Act, 2013.

The Board considers that the expertise and knowledge of Mr. Bhave would be of immense benefit and value to the Company and it will be in the interest of the Company to avail his services as an Independent Director. In term of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Bhave being eligible is proposed to be appointed as an Independent Director for a term of 5 (five) consecutive years from 17th may, 2016 and he shall not be liable to retire by rotation during his tenure in terms of section 149(13) of the Companies Act, 2013.

A brief profile of Mr. Chandrashekhar Bhave is annexed to the Explanatory Statement.

Except Mr. Chandrashekhar Bhave and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution No. 4 set out in the Notice. Accordingly, the Board recommends the Ordinary Resolution in relation to the appointment of Mr. Chandrashekhar Bhave as a Director in independent category for approval of the Members of the Company.

Item No. 5 & 6:

The Company had earlier sought the approval of its Members at their Extra-ordinary General Meeting convened on 10th March, 2016 for borrowing money from any Bank or Banks or any Financial Institutions, Central Government or State Government, body corporate, other person or persons in excess of the aggregate of paid-up share capital of the Company and its free reserves and for creation of mortgage, charge, hypothecation, lien and other encumbrances, if any, by the Company, as the Board may deem fit, on the assets of the Company, both present and future, for securing the sum of moneys aggregating to Rs. 1800,00,00,000/- (Rupees Eighteen Hundred Crore only) by way of passing Special Resolution under the provisions of Section 180(1)(c) of the Companies Act, 2013.

The Company has decided to increase its borrowing limits in order to meet the future expansion plans of the Company for which it shall be required to obtain the approval of its members by way of passing of Special Resolution for the above mentioned respective purposes.

Accordingly, the approval of the members by way of Special Resolution is sought pursuant to the provisions of Section 180(1)(a) and Section 180(1)(c) of the Companies Act, 2013 respectively. Your Directors recommend the resolutions as set out at Item Nos. 5 & 6 in this Notice for your approval.

None of the Promoters, Directors, Key Managerial Personnel of the Company or their relatives are deemed to be concerned or interested financially or otherwise in the said resolutions.

Item No. 7:

The Company intends to list its equity shares on one or more stock exchanges to enable the shareholders to have a formal market place for dealing with the Company's equity shares. For this purpose, it is intended to undertake an initial public offering of the equity shares of the Company (the "**Issue**"). The Company intends to at the discretion of the Board, undertake the Issue and list its equity shares at an opportune time in consultation with the book running lead managers and other advisors and subject to applicable regulatory approvals.

In view of the above and in terms of Section 62(1)(c), and other applicable provisions of the Companies Act, 2013 (the "**Companies Act**"), the approval of the shareholders of the Company is required through a special resolution.

The Company proposes to allot such number of equity shares of the Company (the "**Equity Shares**") in the Issue aggregating up to Rs. 20,000 million on such terms and at such price or prices and at such time as may be considered appropriate by the Board or a committee duly authorised by the Board thereof, to the various categories of permitted investors who may or may not be the shareholder(s) of the Company in the initial public offer by way of book building method under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI Regulations**"). The Equity Shares, if any, allotted vide the Issue shall rank in all respects *pari passu* with the existing Equity Shares of the Company.

No change in control of the Company or its management is intended or expected pursuant to the Issue.

None of the Directors, key managerial personnel of the Company or the relatives of the aforementioned persons are interested in the said resolution.

The Board recommends the resolutions in Item No. 7 of the Notice for your approval as a special resolution.

Item No. 8 :

In order to undertake the proposed Issue, the Company will be required to ensure that the Articles of Association of the Company conform to the requirements and directions of the stock exchanges prior to filing of the draft red herring prospectus (“**DRHP**”) with SEBI and the stock exchanges. Further, certain amendments are required to be undertaken to the Articles of Association of the Company of the Company for the purposes of their alignment with the Companies Act, 2013. Pursuant to the provisions of the Companies Act, 2013, as applicable, any amendment to the Article of Association of the Company requires approval of the shareholders of the Company.

A draft copy of the duly amended articles of association of the Company is available for inspection to the shareholders of the Company at the Registered Office of the Company during business hours on any working day.

None of the Directors, key managerial personnel of the Company or the relatives of the aforementioned persons are interested in the said resolution.

The Board recommends the resolution set out at Item Nos. 8 of the accompanying Notice for the approval of the shareholders of the Company as a special resolution.

Item No. 9:

The options in the hands of the employees have long been recognised as an effective instrument to align the interests of the employees with that of the Company and its shareholdings, providing an opportunity to the employees to share the growth of the Company and to create wealth in the hands of the employees. Accordingly, the Company intends to reward, attract, motivate and retain employees and directors of the Company for their high levels of individual performance, for their efforts to improve the financial performance of the Company and their loyalty to the Company, by offering them equity shares by way of an employee stock options scheme. The eligible employees shall be granted employee stock options in the form of options (“**Options**”) which will be exercisable into equity shares upon such terms and conditions applicable to the options, as the case may be. Towards this, the Company has proposed to approve and adopt ‘Avenue Supermarts Limited Employee Stock Option Scheme 2016’ (the “**Scheme**”).

The shareholders are informed that the Company intends to offer not more than 1,40,00,000 equity shares of the Company under the Scheme by way of grant of Options will be granted directly by the Company. The Scheme will be administered by the ESOP Committee.

The Scheme is being formulated in accordance with the provisions of the Companies Act, 2013, as amended and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The salient features of the aforementioned Scheme are as follows:

Total number of Options to be granted

The total number of Options that may in the aggregate be granted shall be such number that would entitle the grantees to acquire, in one or more tranches, such equity shares of the Company, not exceeding 1,40,00,000 equity shares of the Company to be issued under the Scheme (which number shall be adjusted in lieu of adjustments/ re-organisation of capital structure of the Company from time to time).

One Option shall entitle an employee to one equity share of the Company.

In case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division split or consolidation and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional equity shares are issued by the Company to the grantees for making such fair and reasonable adjustment, the ceiling of 1,40,00,000 equity shares of the Company shall be deemed to be increased to the extent of such additional equity shares issued.

Options not vested due to non-fulfillment of the vesting conditions, vested Options which the grantees expressly refuse to exercise, Options (vested and not exercised and unvested) which have been surrendered and any Options granted but not

vested or exercised within the stipulated time due to any reasons, shall lapse and these Options or the underlying equity shares will be available for grant under the present Scheme or under a new scheme, subject to compliance with the provisions of the Applicable Law.

Identification of classes of employees entitled to participate in the Scheme

Persons who are permanent employees of the Company, working in India or outside India, including managing or whole time directors of the Company, and that of the subsidiary companies, as may be decided by the Board or the ESOP Committee, shall be eligible to be granted Options under the Scheme.

The following category of employees/directors shall not be eligible to participate in the Scheme:

- a) an employee of the Company who is a promoter or belongs to the promoter group;
- b) a director who either by himself or through his relatives or through any Body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company;
- c) independent directors of the Company in terms of the Companies Act.

Requirements of vesting and period of vesting

Requirements for vesting: The Options shall vest in employees subject to continuing employment with the Company and compliance with the Scheme.

Vesting period for Options: The applicable vesting period shall be as decided by the ESOP Committee. However, there shall be a minimum period one year between the date of the grant and the vesting.

Upon an option grantee discontinuing to be in permanent employment of the Company of which it is an employee due to: (a) resignation of the option grantee, or (b) termination of services of the employee with Cause (as defined in the Scheme), by the Company, any unvested Options shall stand cancelled and the vested Options will be required to be exercised within a period as stipulated by the ESOP Committee.

Exercise price or pricing formula and exercise period

The exercise period and equity shares shall be issued at a price shall be determined by the ESOP Committee in accordance with the Applicable Laws.

Exercise period or process of exercise

The exercise period would commence from the date of vesting of Options and will expire at the end of 3 months from the date of vesting of Options or such other period as may be determined by the ESOP Committee.

The Options will be exercisable by the employees by a written application to the Company accompanied by payment of the exercise price in such manner and on execution of such documents, as may be prescribed by the Board or ESOP Committee from time to time. The Options will lapse if not exercised within the specified exercise period.

The appraisal process for determining the eligibility of employees

The appraisal process for determining the eligibility of employees shall be determined by the ESOP Committee from time to time.

Disclosure and accounting policies

The Company shall comply with such applicable accounting policies as prescribed under the Companies Act and prescribed by the concerned authorities from time to time.

Other matters including valuation and lock-in

The ESOP Committee shall approve other terms relating to the Scheme as deemed appropriate including valuation method for determination of fair value and exercise price and lock-in, if any, of the equity shares to be issued pursuant to the grant of options.

As the Scheme would entail issue of further equity shares, in terms of Sections 62(1)(b) and rules made thereunder and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the “**Companies Act**”) and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the “**SEBI ESOP Regulations**”), consent of the shareholders is required by passing a special resolution in a general meeting.

A draft copy of the Scheme is available for inspection to the shareholders of the Company at the Registered Office of the Company during business hours on any working day.

The Directors, key managerial personnel of the Company or any relatives of the Directors or key managerial personnel of the Company are interested in this resolution to the extent of the equity shares that may be offered to them under the Scheme.

The Options to be granted under the Scheme shall not be treated as an offer or invitation made to the public for subscription in the securities of the Company.

The Board recommends Resolution No.9 for approval of the shareholders of the Company.

By Order of the Board of Directors

Sd/-
Ashu Gupta
Company Secretary
Membership No. 13449

Place: Mumbai
Date: 23rd July, 2016

Registered Office:

Anjaneya CHS Limited, Orchard Avenue
Opp. Hiranandani Foundation School,
Powai, Mumbai – 400 076

CIN: U51900MH2000PLC126473

Tel No: 022-40496500 **Fax:** 022-40496503

Website: www.dmartindia.com **Email:** info@dmartindia.com

BRIEF RESUME OF THE PERSONS PROPOSED TO BE APPOINTED AS THE DIRECTOR OF THE COMPANY AT THE ANNUAL GENERAL MEETING IN ACCORDANCE WITH THE SECRETARIAL STANDARDS ['SS - 2']:

Name of the Director	Mr. Chandrashekhkar Bhaskar Bhave
Age	66 years
Date of Appointment on the Board	17/05/2016
Qualifications	Electrical engineer from Jabalpur Engineering College and 1975 batch IAS officer.
Shareholding in the Company	Nil
Nature of Expertise & Experience	<p>Mr. C.B. Bhave started his career in the Indian Administrative Service (IAS) in 1975 after obtaining a Bachelor's degree in Electrical Engineering. He worked in different positions in the State and the Central Governments. During this time he won an award from the Government of Maharashtra for outstanding work in the area of family welfare and an award for excellence in administration. He then worked in the Securities and Exchange Board of India (SEBI) as a Senior Executive Director from 1992 – 1996. These were the formative years for SEBI and the work of creating the regulatory infrastructure for the capital market was undertaken during this period.</p> <p>Mr. Bhave then quit the Indian administrative service to set up the National Securities Depository in 1996. He was the Chairman and Managing Director of the National Securities Depository Ltd. (NSDL) from July 1996 to Feb 2008. The Depository became operational in November 1996. The depository system enables electronic record keeping of various entities' equity and debt ownership in companies and facilitates electronic transfer of ownership. One hundred per cent of the settlement in Indian stock exchanges is in paperless form for a decade now. NSDL is the first depository in India. NSDL also set up the Tax Information System during this time for the Income Tax Department, Government of India. The Government has entrusted the work of setting up the Central Record Keeping System for the new Pension scheme to NSDL.</p> <p>Mr. C.B. Bhave worked as the Chairman of the Securities and Exchange Board of India (SEBI) between February 2008 and February 2011. During this time, he was the Chairperson of the Asia-Pacific regional Committee and a member of the Technical and the Executive Committees of the IOSCO.</p> <p>Mr. Bhave 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 (IFAC) from the perspective of public interest. He is also a member of the City of London Advisory Council for India. Mr. Bhave is a trustee of the IFRS foundation based in London. He is also the Chairman of the Indian Institute for Human Settlements (IIHS), 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 Ltd. 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.</p>
Terms and Conditions of Appointment/re-appointment	As per the Appointment letter
Details of Remuneration sought to be paid	Mr. C. B. Bhave shall be entitled for sitting fees for attending board meetings.

Remuneration last drawn	Nil
Number of Meetings attended during the year	Nil
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	Not Applicable
Name of the other Companies in which also holds Directorship	- Mahindra and Mahindra Financial Services Limited - Indian Institute For Human Settlements
Justification for appointing Mr. Chandrashekhar B. Bhave as an Independent Director	He possesses requisite qualifications, sharp skills and excellent leadership qualities. Experience of Mr. Bhave shall be very beneficial for the growth of the Company.

ROUTE MAP TO AGM

Venue: Rodas, Central Avenue, Hiranandani Gardens, Powai, Mumbai - 400 076

