



GOOD PRODUCTS GREAT VALUE

2016-17
ANNUAL REPORT
AVENUE SUPERMARTS LIMITED

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KEY HIGHLIGHTS FY 2016-17

₹ **11,881** cr.

Revenue

₹ **995** cr.

Operating Profit

₹ **483** cr.

Profit After Tax

131 stores

in 10 Indian States
and 1 Union Territory

21 stores

New Stores Added

4.06 mn sqft

Retail Business Area

Good Products Great Value

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

We believe our endeavour to facilitate a one-stop destination for our customers' everyday shopping needs, along with our competitive pricing due to our local market knowledge, careful product assortment and supply chain efficiencies, has helped us achieve consistent growth and profitability.

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



CORPORATE OVERVIEW

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About DMart

OUR BEGINNING



A focus on financial fundamentals, high levels of patience and strong conviction have been the bedrock, on which the Company's values and business direction have been built.

DMart took eight years to start its first ten stores. This wasn't because of dearth of investment opportunities, but more because of his belief in the importance of validating the business model from a perspective of both profitability and scalability. His beginnings at DMart were frugal. For a number of years since inception, DMart's corporate operations were run from a small space, carved out from one of the early stores. He and his early leadership team worked together as one cohesive unit without any hierarchy or barriers.

More importantly, from the very beginning he had the foresight to understand and strongly believe that any business needs the right blend of entrepreneurship and professionalism. Entrepreneurship to build and strengthen the concept in its formative years, professionalism to allow a committed team to create, sustain and grow a scalable business model into the future.

Today, DMart continues to focus on this early belief system created during our formative years. We have a great blend of entrepreneurial spirit and high quality execution. We humbly attribute our success to the values and the way of business thinking, that our founder has instilled in us.

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By the late 1990s, our founder, Mr. Radhakishan Damani was already established as one of the more successful and well known value investors in the Indian equity markets. Through his investing style he had developed a very keen understanding of the Indian consumer sector and its psyche. He was anxious to start a business beyond investing, which would enable him to test his hypothesis about the Indian consumer. After a couple of years of introspection and research he decided to start a grocery retail chain, focusing primarily on the value segment.

DMart, our retail chain, was conceived by him in the year 2000. Mr. Damani imagined the retail business with the same values of simplicity, speed and nimbleness that he espoused in his stellar investing career.

Core Values

Action

Focus:

To be focused about what I do.

Motivated:

To be clear of achieving my goal.

Enthusiastic:

To love what I do.

Care

Respect:

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

Listen:

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

Truth

Integrity:

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

OUR VISION & MISSION

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



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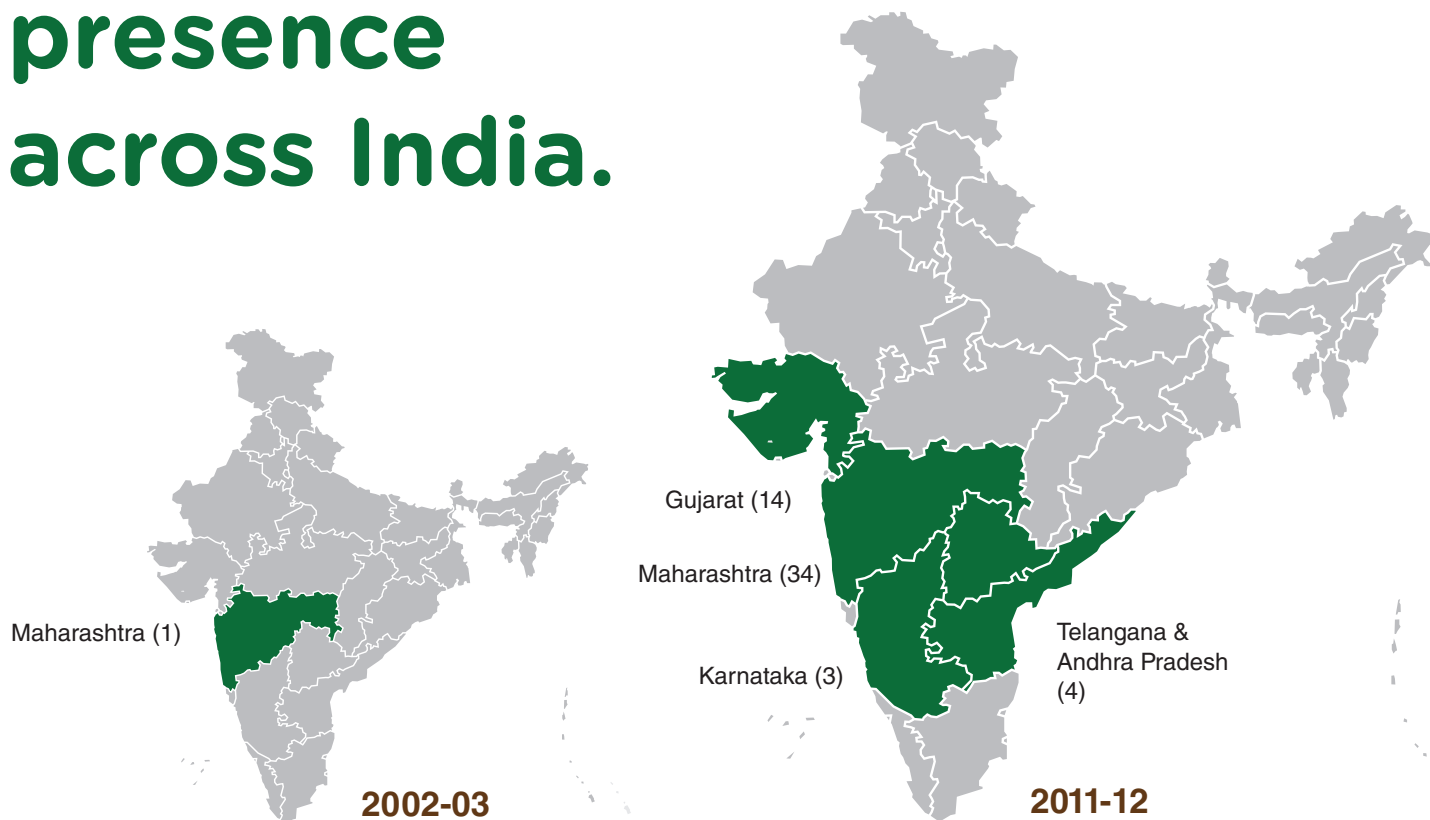
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Presence

DMart has a consistently growing presence across India.

OUR REACH

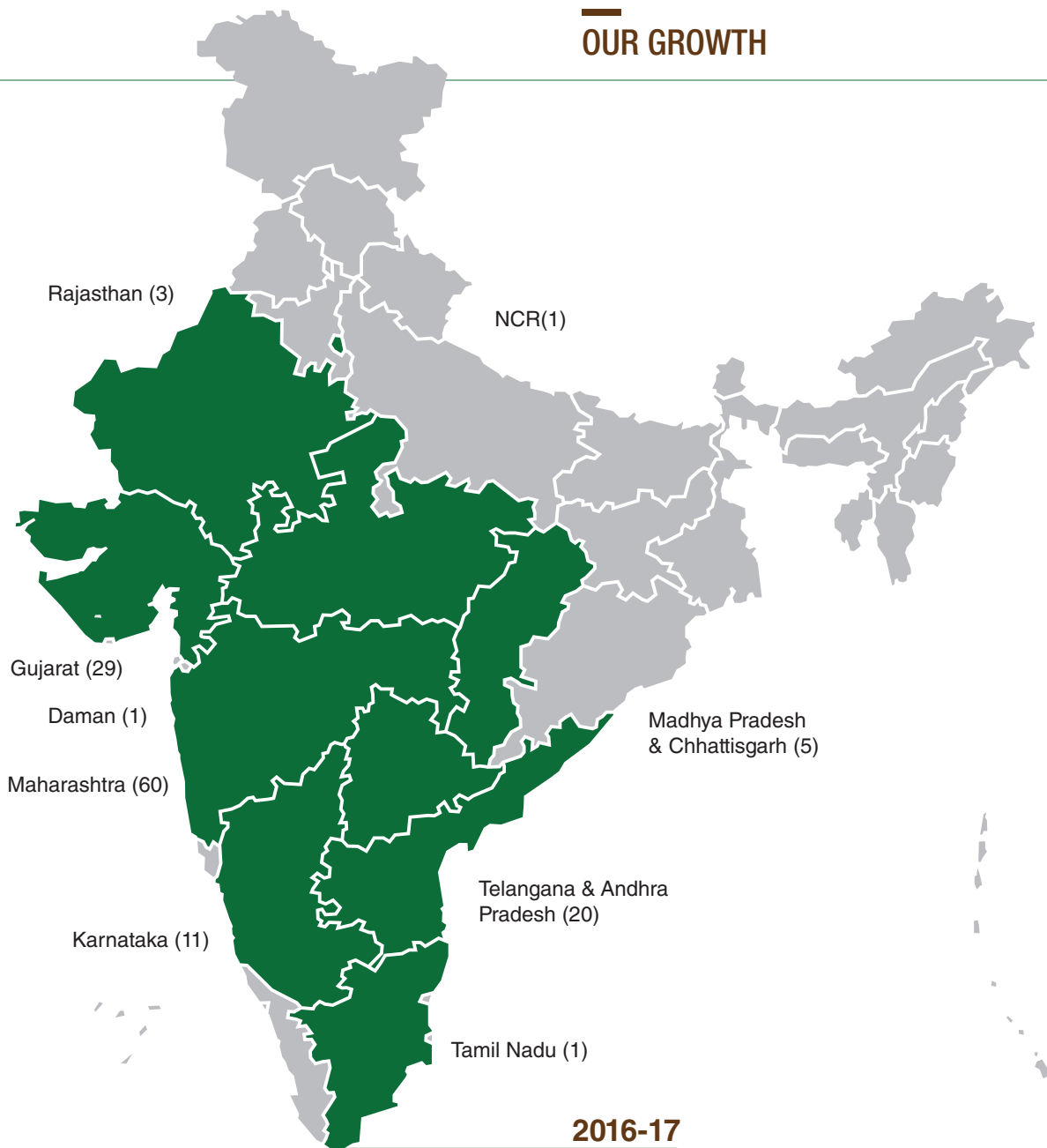
DMart has a consistently growing presence across India. Today, we have 131 stores in ten states and one union territory. Our larger focus of expansion would be in states where we already have a presence. In FY 2017, we added 21 new stores.

**CUMULATIVE STORES**

Note: Maps not to scale

1 Store**55 Stores**

OUR GROWTH



131 Stores

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Key Product Categories



THE KEY PRODUCT CATEGORIES CAN BE CLASSIFIED INTO:

Foods

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

53.65%

Revenue FY 2016-17



Non-Foods (FMCG)

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

19.98%

Revenue FY 2016-17



General Merchandise & Apparel

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

26.37%

Revenue FY 2016-17



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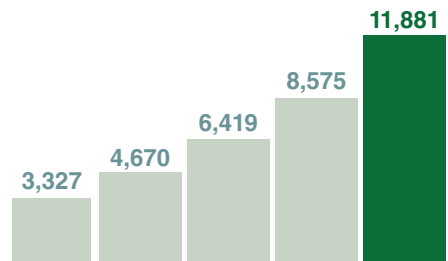
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Key Performance Indicators

REVENUE FROM OPERATIONS

39% Y-o-Y

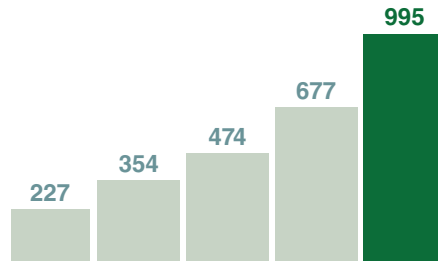


FY12-13 FY13-14 FY14-15 FY15-16 FY16-17

(in ₹ crores)

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

47% Y-o-Y

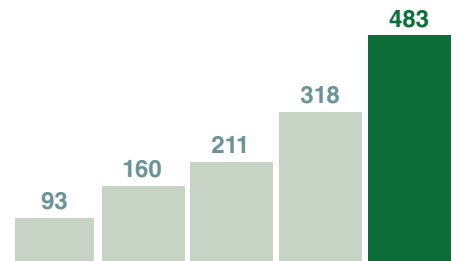


FY12-13 FY13-14 FY14-15 FY15-16 FY16-17

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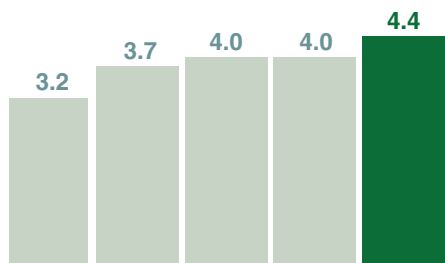
PROFIT AFTER TAX (PAT)

52% Y-o-Y

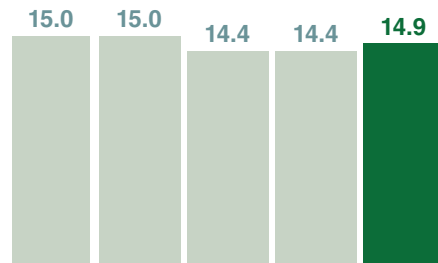


FY12-13 FY13-14 FY14-15 FY15-16 FY16-17

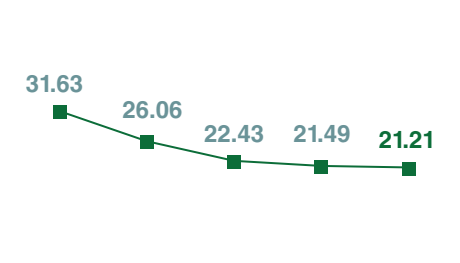
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FIXED ASSET TURNOVER RATIO

FY12-13 FY13-14 FY14-15 FY15-16 FY16-17

INVENTORY TURNOVER RATIO

FY12-13 FY13-14 FY14-15 FY15-16 FY16-17

LIKE FOR LIKE GROWTH*

FY12-13 FY13-14 FY14-15 FY15-16 FY16-17

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