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# GOOD PRODUCTS GREAT VALUE

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2018-19  
ANNUAL REPORT  
AVENUE SUPERMARTS LIMITED

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## KEY HIGHLIGHTS FY 2018-19

**₹19,916 cr.**  
Revenue from Operations

**₹1,642 cr.**  
EBITDA

**₹936 cr.**  
Profit After Tax

**176 stores**  
In 11 States  
and 1 Union Territory

**21**  
New Stores Added

**5.9 mn sq. ft.**  
Retail Business Area

# Good Products Great Value

**Our customer-centric approach has helped us achieve credible growth thus far**

DMart has continued in its mission to fulfil customers' everyday needs by providing good quality products at low prices. We continue to focus on further improving our operations and thus make it more convenient for our customers to shop in our stores.



**CORPORATE OVERVIEW**

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## About DMart

DMart was conceived by value investor Mr. Radhakishan Damani in the year 2000, operating a single store in Maharashtra. With a mission to be the lowest priced retailer in its area of operation, DMart has grown steadily over the years and operates 176 stores in 11 States and 1 Union Territory of India. The Company has delivered stable performance across stakeholder metrics by focusing on financial fundamentals, high levels of patience and strong conviction.



## OUR BEGINNING

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

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

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

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

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

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



## Core Values

### 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.

## 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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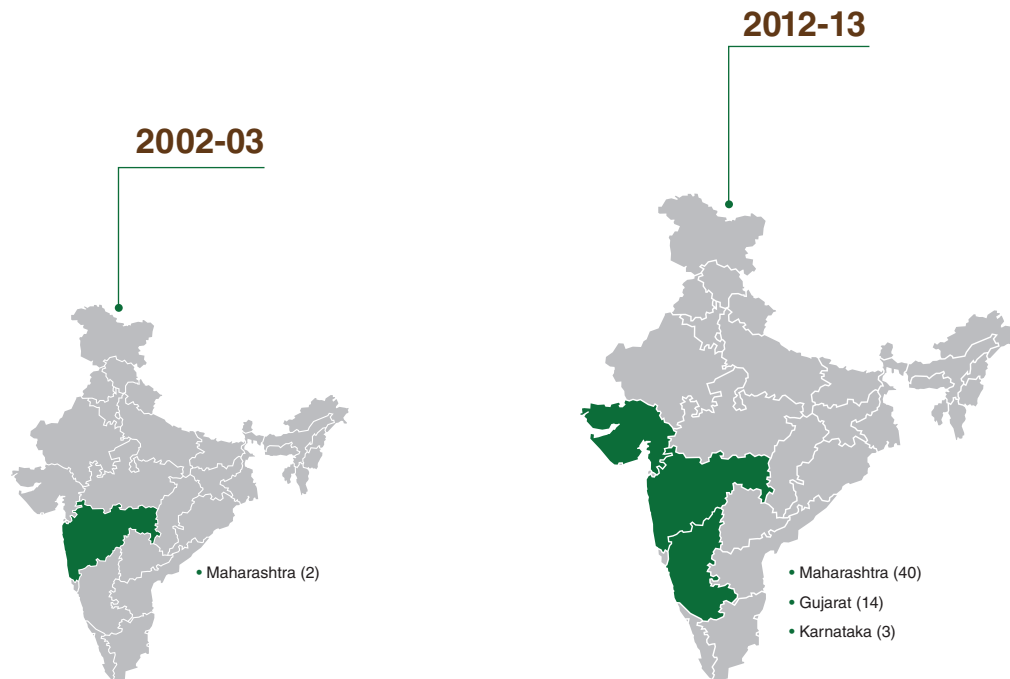
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## Presence and Expansion Strategy

**DMart has a consistently growing presence across India**

At DMart, we follow a cluster-based expansion approach. We thus focus on deepening our penetration in the areas where we are already present, before expanding to newer regions. Using this strategy, we added 21 stores in FY 2018-19, thus ending the year with 176 stores spread across 11 states and 1 Union Territory.

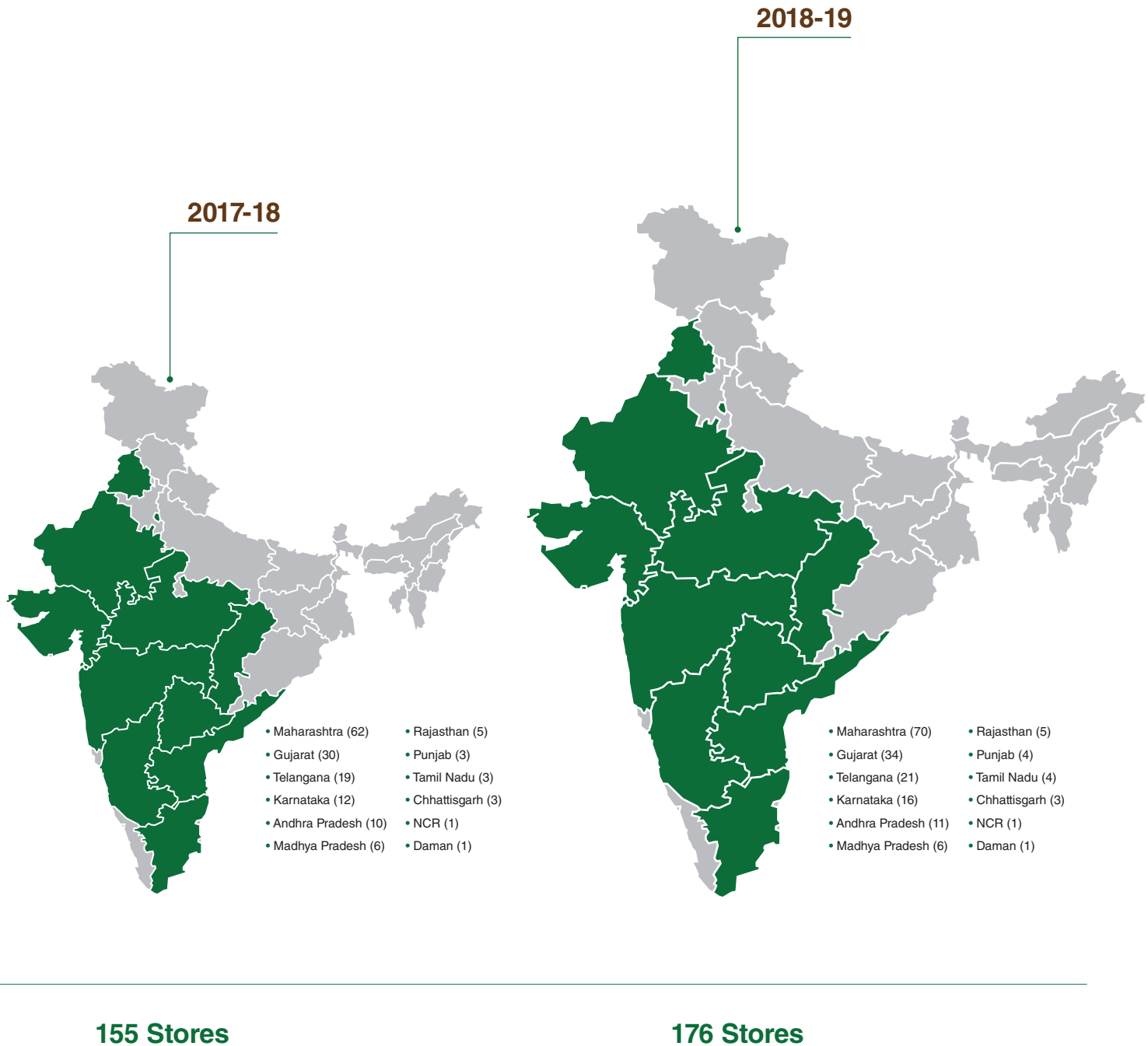


### CUMULATIVE STORES

Note: Maps not to scale

**2 Stores**

**57 Stores**



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## Key Product Categories

DMart offers varied, everyday-use items to its customers with a prudent product mix. The products on offer at our stores can be broadly classified into three categories – Foods, Non-foods and General Merchandise and Apparel.





## THE KEY PRODUCT CATEGORIES CAN BE CLASSIFIED INTO:

### Foods

Dairy, staples, groceries, snacks, frozen products, processed foods, beverages & confectionery and fruits & vegetables

**51.25%**

Revenue Contribution FY 2018-19

**51.55%**

Revenue Contribution FY 2017-18



### Non-Foods (FMCG)

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

**20.46%**

Revenue Contribution FY 2018-19

**20.03%**

Revenue Contribution FY 2017-18



### General Merchandise & Apparel

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

**28.29%**

Revenue Contribution FY 2018-19

**28.42%**

Revenue Contribution FY 2017-18



**CORPORATE OVERVIEW**

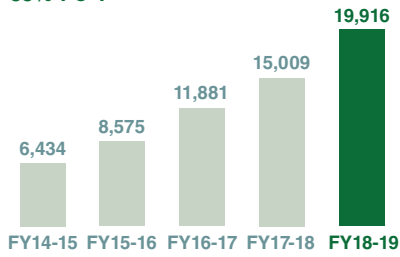
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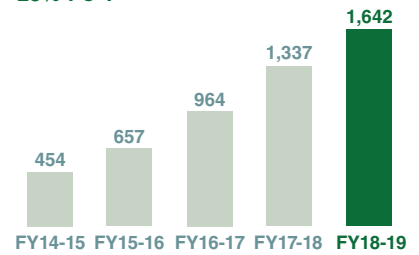
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## Key Performance Indicators

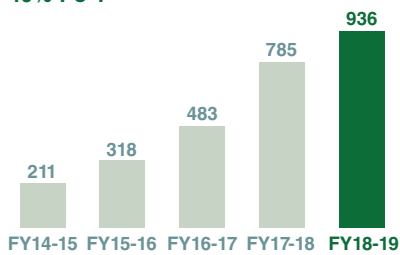
With a strategy of maintaining cost efficiencies while offering the best customer value, DMart has continued to witness stable performance across financial and operational parameters, year-on-year.

**REVENUE FROM OPERATIONS****33% Y-o-Y**

(₹ in crores)

**EBITDA****23% Y-o-Y**

(₹ in crores)

**PROFIT AFTER TAX****19% Y-o-Y**

(₹ in crores)

**FIXED ASSET TURNOVER RATIO**