



GOOD PRODUCTS GREAT VALUE

2020-21
ANNUAL REPORT
AVENUE SUPERMARTS LIMITED

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Key Highlights FY 2020-21

₹**23,787** cr

Revenue from Operations

₹**1,742** cr

EBITDA

₹**1,165** cr

Profit After Tax

234

of Stores

11/1

of States and Union Territory

22*

of New Stores Added

8.8 mn sq. ft.

Retail Business Area

*22 New Stores were added in FY 2020-21 and two of our older stores were converted in fulfillment center for Avenue E-Commerce Limited



D[★]Mart[®]

டி மார்ட்[®]



Good Products Great Value

We continue in our business approach to provide good quality products at competitive prices to meet our customers' everyday shopping needs.

Our customer-oriented approach has resulted in credible growth for the company thus far.

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 234 stores in 11 States and 1 Union Territory. The Company has delivered stable performance across stakeholder metrics by focusing on financial fundamentals, with fortitude 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, Vision and Mission

OUR CORE VALUES

Action

Focus

To be focused about what I do.

Motivated

To have a strong drive towards achieving my goals.

Enthusiastic

To love what I do.

Care

Respect

To respect every individual in the organisation, treat her/him with dignity and pay due consideration 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

To be open, honest and fair in all our relationships with highest level of personal and business integrity.

OUR VISION

It is our continuous endeavor to investigate, identify and make available new products / categories for the customer's everyday use and at the 'best' value than anybody else.

OUR MISSION

To be the lowest priced retailer in the area of operation / city / region.



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Presence and Expansion Strategy

DMart has a consistently growing presence across India

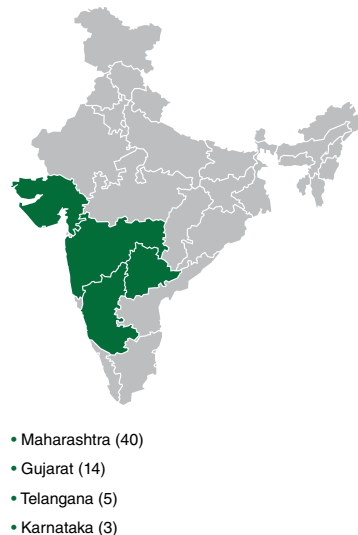
At DMart, we follow a cluster-based expansion approach. We thus focus on deepening our penetration in the areas where we are already present, before expanding to newer regions. Using this strategy, we added 22* stores in FY 2020-21, thus ending the year with 234 stores, spread across 11 states and one union territory.

*22 New Stores were added in FY 2020-21 and two of our older stores were converted in fulfillment center for Avenue E-Commerce Limited

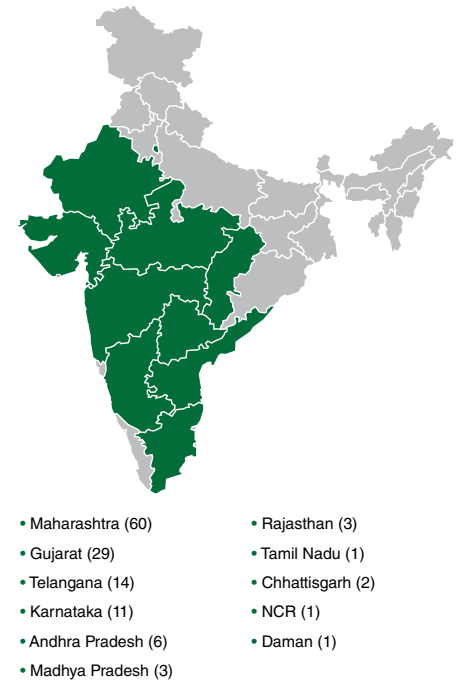
FY 2002-03



FY 2012-13



FY 2016-17



CUMULATIVE STORES

Note: Maps not to scale

2 Stores

62 Stores

131 Stores

FY 2019-20



- Maharashtra (76)
- Gujarat (37)
- Telangana (24)
- Karnataka (20)
- Andhra Pradesh (17)
- Madhya Pradesh (11)
- Rajasthan (7)
- Punjab (5)
- Tamil Nadu (10)
- Chhattisgarh (5)
- NCR (1)
- Daman (1)

FY 2020-21



- Maharashtra (74)
- Gujarat (42)
- Telangana (27)
- Karnataka (21)
- Andhra Pradesh (21)
- Madhya Pradesh (14)
- Rajasthan (8)
- Punjab (7)
- Tamil Nadu (12)
- Chhattisgarh (5)
- NCR (2)
- Daman (1)

214 Stores

234* Stores

*22 New Stores were added in FY 2020-21 and two of our older stores were converted in fulfillment center for Avenue E-Commerce Limited

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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



Groceries, staples, processed foods, dairy, frozen products, beverages & confectionery, and fruits & vegetables

57.41%

Revenue Contribution FY 2020-21

52.40%

Revenue Contribution FY 2019-20

Non Foods (FMCG)



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

19.69%

Revenue Contribution FY 2020-21

20.29%

Revenue Contribution FY 2019-20

General Merchandise & Apparel



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

22.90%

Revenue Contribution FY 2020-21

27.31%

Revenue Contribution FY 2019-20

CORPORATE OVERVIEW

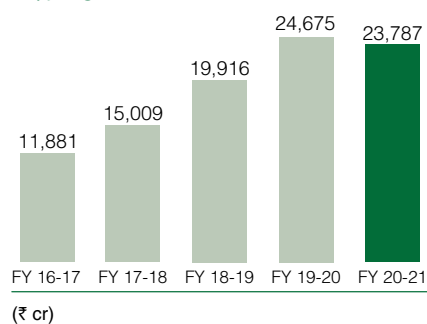
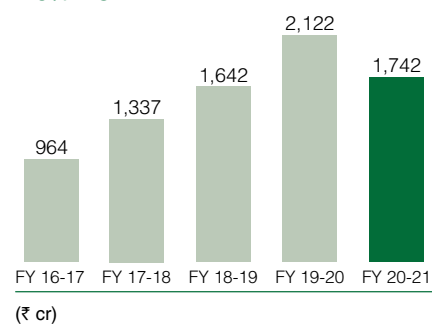
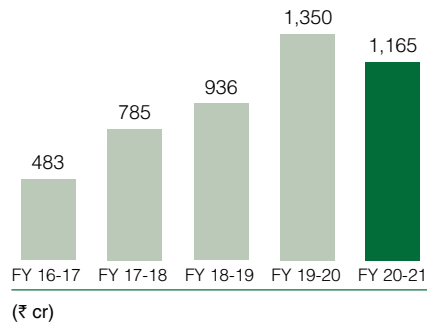
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Key Performance Indicators

With a strategy of maintaining cost efficiencies while offering the best customer value, DMart has witnessed stable performance across financial and operational parameters over the years. FY 2020-21 was disrupted due to COVID-19.

REVENUE FROM OPERATIONS**-4% Y-O-Y****EBITDA****-18% Y-O-Y****PROFIT AFTER TAX****-14% Y-O-Y****FIXED ASSET TURNOVER**