



**GOOD PRODUCTS
GREAT VALUE**

**2022-23
ANNUAL REPORT
AVENUE SUPERMARTS LIMITED**

Contents

Corporate Overview

- 01** Good Products Great Value
- 02** About DMart
- 03** Core Values, Vision and Mission
- 04** Presence and Expansion Strategy
- 06** Key Product Categories
- 08** Key Performance Indicators
- 10** Message from the Chairman
- 12** Environmental Focus at DMart
- 17** Corporate Social Responsibility
- 26** Board of Directors
- 28** Senior Leadership Team
- 29** Corporate Information

Statutory Reports

- 30** Management Discussion and Analysis
- 33** Directors' Report
- 54** Corporate Governance Report
- 74** Business Responsibility & Sustainability Reporting

Financial Statements

Standalone Accounts

- 104** Independent Auditor's Report
- 109** Annexure 1 to Independent Auditor's Report
- 112** Annexure 2 to Independent Auditor's Report
- 114** Standalone Balance Sheet
- 115** Statement of Standalone Profit and Loss
- 116** Statement of Standalone Cash Flows
- 118** Statement of Changes in Equity
- 119** Notes

Consolidated Accounts

- 162** Independent Auditor's Report
- 167** Annexure 1 to Independent Auditor's Report
- 168** Annexure 2 to Independent Auditor's Report
- 170** Consolidated Balance Sheet
- 171** Statement of Consolidated Profit and Loss
- 172** Statement of Consolidated Cash Flows
- 174** Statement of Changes in Equity
- 175** Notes
- 223** Notice of the 23rd Annual General Meeting

Key Highlights FY 2022-23

₹41,833 cr

Revenue from Operations

₹3,659 cr

EBITDA

₹2,556 cr

Profit After Tax

324

of Stores

10/1

of States and Union Territory and NCR

40

of New Stores Added*

13.4 mn sq. ft.

Retail Business Area

*During FY 2022-23, 1 location was reconverted from Fulfilment Centre to DMart Store.



Good Products Great Value

DMart has continued in its mission to fulfill customers' everyday needs by providing good quality products at great value. Our customer-centric approach has been instrumental in helping us achieve credible growth thus far.

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS

NOTICE OF THE AGM

About DMart



DMart was conceived by value investor Mr. Radhakishan Damani in the year 2000, who at the time was 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 324 stores in 10 States, 1 Union Territory and NCR. 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 believed 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 endeavour 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.



CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS

NOTICE OF THE AGM

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 40 stores in FY 2022-23, thus ending the year with 324 stores, spread across 10 states, 1 union territory, and NCR.

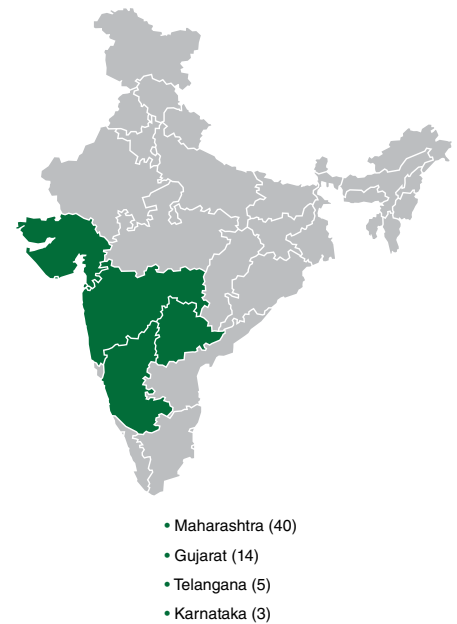
FY 2002-03



FY 2007-08



FY 2012-13



CUMULATIVE STORES

Note: Maps not to scale

2 Stores

12 Stores

62 Stores

FY 2021-22



- Maharashtra (88)
- Gujarat (48)
- Telangana (31)
- Karnataka (29)
- Andhra Pradesh (23)
- Madhya Pradesh (17)
- Tamil Nadu (15)
- Rajasthan (10)
- Punjab (9)
- NCR (7)
- Chhattisgarh (6)
- Daman (1)

FY 2022-23



- Maharashtra (99)
- Gujarat (55)
- Telangana (36)
- Karnataka (29)
- Andhra Pradesh (29)
- Madhya Pradesh (19)
- Tamil Nadu (19)
- Rajasthan (12)
- Punjab (11)
- NCR (8)
- Chhattisgarh (6)
- Daman (1)

Note: Maps not to scale

284 Stores

324 Stores

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS

NOTICE OF THE AGM

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

56.03%

Revenue contribution in FY 2022-23

56.86%

Revenue contribution in FY 2021-22

Non Foods (FMCG)



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

20.93%

Revenue contribution in FY 2022-23

19.74%

Revenue contribution in FY 2021-22

General Merchandise & Apparel



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

23.04%

Revenue contribution in FY 2022-23

23.40%

Revenue contribution in FY 2021-22

CORPORATE OVERVIEW

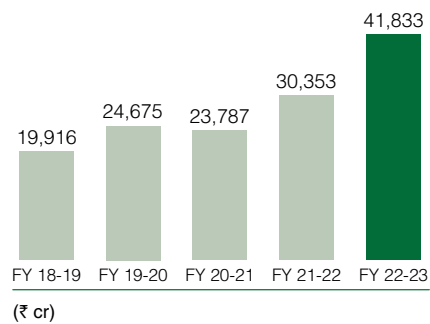
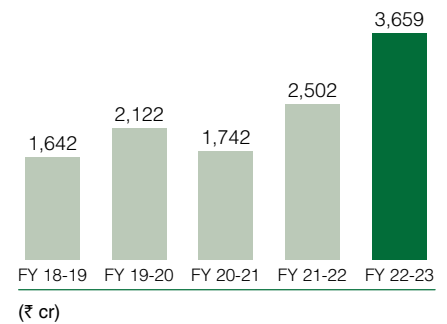
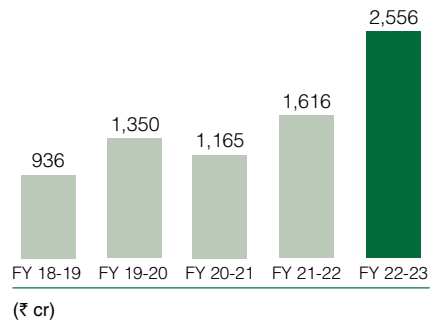
STATUTORY REPORTS

FINANCIAL STATEMENTS

NOTICE OF THE AGM

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.

REVENUE FROM OPERATIONS**38% Y-O-Y****EBITDA****46% Y-O-Y****PROFIT AFTER TAX****58% Y-O-Y****FIXED ASSET TURNOVER**