

# Avenue Supermarts Limited

Plot No. B-72 & B-72A, Wagle Industrial Estate, Thane (West), Maharashtra, India - 400 604

Tel.: 91 22 33400500 \* Fax: 91 22 33400599 \* e-mail: info@dmartindia.com \* Website: www.dmartindia.com

23<sup>rd</sup> May, 2020

To,

BSE Limited  
Corporate Services Department  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

The National Stock Exchange of India Ltd.  
Corporate Communications Department  
“Exchange Plaza”, 5<sup>th</sup> Floor,  
Bandra – Kurla Complex, Bandra (East),  
Mumbai – 400 051

BSE Scrip Code: 540376

NSE Scrip Symbol: DMART

**Sub: Proceedings of the Board Meeting held on 23<sup>rd</sup> May, 2020 as per Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

Dear Sir/Madam,

With reference to the captioned subject, we hereby inform you that the Board of Directors of the Company at its meeting held on 23<sup>rd</sup> May, 2020, inter-alia other matters, has approved the Standalone & Consolidated Audited Financial Statements for the quarter and year ended 31<sup>st</sup> March, 2020.

Copy of Standalone & Consolidated Audited Financial Statements for the quarter and year ended 31<sup>st</sup> March, 2020 along with the Auditors' Report issued by S R B C & Co LLP, Chartered Accountants, Statutory Auditors of the Company in accordance with the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is attached herewith.

The declaration that the Report of the Statutory Auditors is with unmodified opinion with respect to Standalone & Consolidated Audited Financial Results for the year ended 31<sup>st</sup> March, 2020 is attached herewith.

The said meeting commenced at 1.30 p.m. and concluded at 4.00 p.m.

Kindly take the same on your record and acknowledge.

Thanking you.

Yours faithfully,  
For Avenue Supermarts Limited



Ashu Gupta  
Company Secretary & Compliance Officer



Encl: As above

**Auditor's Report On Quarterly Financial Results and Year to Date Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.**

To  
Board of Directors of  
Avenue Supermarts Limited

**Report on the audit of the Standalone Financial Results****Opinion**

We have audited the accompanying statement of quarterly and year to date standalone financial results of Avenue Supermarts Limited (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

**Management's Responsibilities for the Standalone Financial Results**

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other





irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

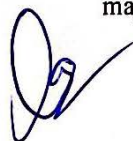
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



# **S R B C & C O L L P**

Chartered Accountants

Avenue Supermarts Limited  
Standalone Limited Review Report

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **Other Matter**

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S R B C & C O L L P

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Vijay Maniar

Partner

Membership No.: 36738

UDIN: 20036738AAAACG5535

Mumbai; May 23, 2020





# Avenue Supermarts Limited

CIN : L51900MH2000PLC126473

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

**Audited standalone financial results for the quarter and year ended 31st March, 2020**

(₹ in Crores, unless otherwise stated)

Sr.No.	Particulars	Quarter ended 31st March, 2020 (Refer note - 12)	Quarter ended 31st December, 2019	Quarter ended 31st March, 2019 (Refer note - 12)	Year ended 31st March, 2020	Year ended 31st March, 2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	<b>Income</b>					
	a) Revenue from operations	6,193.53	6,751.94	5,033.37	24,675.01	19,916.25
	b) Other income	35.59	6.94	14.66	63.33	51.41
	<b>Total income</b>	<b>6,229.12</b>	<b>6,758.88</b>	<b>5,048.03</b>	<b>24,738.34</b>	<b>19,967.66</b>
2	<b>Expenses</b>					
	a) Purchases of stock-in-trade	5,480.07	5,511.95	4,414.39	21,349.14	17,409.12
	b) Change in inventories of stock-in-trade	(105.63)	227.28	(106.07)	(333.21)	(429.18)
	c) Employee benefits expense	115.08	111.01	85.94	424.74	335.03
	d) Finance costs	12.43	16.03	12.16	62.76	47.15
	e) Depreciation and amortisation expense	94.83	86.69	61.94	339.81	198.80
	f) Other expenses	286.34	308.58	262.58	1,112.21	959.10
	<b>Total expenses</b>	<b>5,883.12</b>	<b>6,261.54</b>	<b>4,730.94</b>	<b>22,955.45</b>	<b>18,520.02</b>
3	<b>Profit before tax</b>	<b>346.00</b>	<b>497.34</b>	<b>317.09</b>	<b>1,782.89</b>	<b>1,447.64</b>
4	<b>Tax expenses (refer note 9)</b>					
	Current tax	66.75	108.01	105.86	448.84	501.21
	Deferred tax charge	(7.62)	(4.96)	15.66	(15.87)	17.77
	Tax in respect of earlier period / year	-	0.03	(7.32)	0.03	(7.69)
5	<b>Net profit after tax</b>	<b>286.87</b>	<b>394.26</b>	<b>202.89</b>	<b>1,349.89</b>	<b>936.35</b>
6	Other comprehensive income (net of tax)	0.49	(1.43)	(0.84)	(3.79)	(1.27)
7	<b>Total comprehensive income for the period / year</b>	<b>287.36</b>	<b>392.83</b>	<b>202.05</b>	<b>1,346.10</b>	<b>935.08</b>
8	Paid-up equity share capital (Face Value - ₹ 10/- per share)	647.77	627.77	624.08	647.77	624.08
9	Other equity (excluding revaluation reserves)				10,487.75	4,970.40
10	Earnings per share (of ₹ 10/- each) (not annualised):					
	a) Basic in ₹	4.49	6.30	3.25	21.49	15.00
	b) Diluted in ₹	4.46	6.25	3.21	21.33	14.79

*[Signature]*



## Notes

## 1 Standalone Balance Sheet as at 31st March, 2020

( ₹ in Crores, unless otherwise stated)

Sr.N o.	Particulars	As at 31st March, 2020 (Audited)	As at 31st March, 2019 (Audited)
I	<b>Assets</b>		
1)	<b>Non-current assets</b>		
a	Property, plant and equipment	5,060.70	4,205.86
b	Capital work-in-progress	361.94	376.55
c	Right to use assets	646.99	-
d	Investment properties	16.53	18.10
e	Intangible assets	11.19	10.27
f	<b>Financial assets</b>		
f.i	Investments in subsidiaries	287.30	212.00
f.ii	Other non-current financial assets	3,125.99	36.03
g	Income tax assets (net)	7.68	0.03
h	Other non-current assets	273.54	109.68
	<b>Total non-current assets</b>	<b>9,791.86</b>	<b>4,968.52</b>
2)	<b>Current assets</b>		
a	Inventories	1,909.43	1,576.22
b	<b>Financial assets</b>		
b.i	Trade receivables	48.53	75.52
b.ii	Cash and cash equivalents	91.46	120.23
b.iii	Bank Balances other than cash and cash equivalents	0.78	93.32
b.iv	Other current financial assets	109.80	59.18
c	Other current assets	132.27	104.58
	<b>Total current assets</b>	<b>2,292.27</b>	<b>2,029.05</b>
	<b>Total assets</b>	<b>12,084.13</b>	<b>6,997.57</b>
II	<b>Equity and liabilities</b>		
1)	<b>Equity</b>		
a	Equity share capital	647.77	624.08
b	Other equity	10,487.75	4,970.40
	<b>Total equity</b>	<b>11,135.52</b>	<b>5,594.48</b>
2)	<b>Non current liabilities</b>		
a	<b>Financial liabilities</b>		
a.i	Borrowings	-	125.67
a.ii	Lease liability	178.13	-
a.iii	Other non-current financial liabilities	0.47	0.78
b	Deferred tax liabilities (net)	48.20	64.07
	<b>Total non current liabilities</b>	<b>226.80</b>	<b>190.52</b>
3)	<b>Current liabilities</b>		
a	<b>Financial liabilities</b>		
a.i	Borrowings	3.73	299.15
a.ii	Lease liability	64.29	-
a.iii	Trade payables due to :		
	Micro and small enterprises	17.24	5.44
	Other than micro and small enterprises	428.73	452.84
a.iv	Other current financial liabilities	174.50	393.82
b	Current tax liabilities (Net)	0.44	26.72
c	Other current liabilities	18.55	21.93
d	Provisions	14.33	12.67
	<b>Total current liabilities</b>	<b>721.81</b>	<b>1,212.57</b>
	<b>Total equity and liabilities</b>	<b>12,084.13</b>	<b>6,997.57</b>

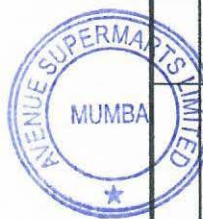




## 2 Standalone Cash Flows statement for the year ended 31st March, 2020

( ₹ in Crores, unless otherwise stated)

Sr. No.		Year ended 31st March, 2020	Year ended 31st March, 2019
		(Audited)	(Audited)
I	<b>Cash flow from operating activities:</b>		
	Profit before tax	1,782.89	1,447.64
	Adjustments for:		
	Depreciation and amortization expenses	339.81	198.80
	Finance cost	62.76	47.15
	Interest income	(32.86)	(25.84)
	Profit on sale of investments	(8.93)	(10.08)
	Expense on employee stock option scheme	8.27	16.61
	Rent income	(7.63)	(5.72)
	(Gain)/ loss on disposal of property, plant and equipment (net)	(2.45)	(1.01)
		358.97	219.91
	<b>Operating profit before working capital changes</b>	<b>2,141.86</b>	<b>1,667.55</b>
	Adjustments for:		
	Increase/(decrease) in trade payables	(12.31)	142.41
	Decrease in provisions	(3.41)	(1.13)
	Increase/(decrease) in other current financial liabilities	23.27	(25.76)
	Increase/(decrease) in other current liabilities	(3.38)	10.67
	Decrease in other non-current financial liabilities	(0.31)	-
	(Increase)/decrease in trade receivables	26.99	(42.16)
	Increase in inventories	(333.21)	(429.18)
	Decrease in current investments	-	51.71
	(Increase)/decrease in other non-current assets	4.77	(20.44)
	(Increase)/decrease in other non-current financial assets	(17.25)	11.95
	Increase in bank balances other than cash and cash equivalents	(0.04)	(0.05)
	Increase in other current assets	(38.19)	(25.11)
	(Increase)/decrease in other current financial assets	(19.88)	5.81
		(372.95)	(321.28)
	Cash flow from operating activities	1,768.91	1,346.27
	Direct taxes paid (net of refunds)	(481.52)	(493.49)
	<b>Net cash flow from operating activities</b>	<b>1,287.39</b>	<b>852.78</b>
II	<b>Cash flow from investing activities:</b>		
	Proceeds from disposal of property, plant and equipment	5.51	8.05
	Realisation from FDs of IPO proceeds	92.58	399.14
	Realisation from FDs of QIP proceeds	129.00	-
	Interest received	12.23	39.22
	Gain on sale of investments	8.93	10.08
	Rent income received	7.53	5.27
		255.78	461.76
	Purchase of property, plant and equipment / intangible assets / investment properties	(1,683.06)	(1,379.98)
	QIP proceeds deposited in FDs	(3,197.00)	-
	Investment in subsidiaries	(75.30)	(82.50)
		(4,955.36)	(1,462.48)
	<b>Net cash flow used in investing activities</b>	<b>(4,699.58)</b>	<b>(1,000.72)</b>
III	<b>Cash flow from financing activities:</b>		
	Proceeds from issue of QIP (net of expenses)	4,076.51	-
	Proceeds from exercise of share options	110.34	-
	Proceeds from long term borrowings	50.00	150.00
	Proceeds from short term borrowings	251.03	50.00
	Proceeds of commercial papers	789.46	786.52
	Proceeds from non convertible debentures	300.00	-
		5,577.34	986.52
	Repayment of long term borrowings	(200.00)	(16.00)
	Repayment of short term borrowings	(300.00)	(4.55)
	Repayment of commercial papers	(1,034.99)	(540.99)
	Repayment of non convertible debentures	(512.00)	(170.00)
	Payment of lease liability	(78.89)	-
	Interest paid	(67.93)	(50.94)
		(2,193.81)	(782.48)
	<b>Cash flow from financing activities</b>	<b>3,383.53</b>	<b>204.04</b>
	Net increase/(decrease) in cash and cash equivalent	(28.66)	56.10
	Cash and cash equivalents at beginning of the year (including bank overdraft balances)	120.11	64.01
	Cash and cash equivalents at end of the year	91.45	120.11
	Cash and cash equivalents as per above comprises of the following		
	Cash and cash equivalents	91.46	120.23
	Bank overdrawn	(0.01)	(0.12)
	Balance as per statement of cash flows	91.45	120.11





# Notes

- 3 The above financial results have been prepared in accordance with Indian Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.
- 4 The above financial results have been reviewed and recommended by the Audit Committee and have been approved and taken on record by the Board of Directors at its meeting held on 23rd May, 2020.
- 5 The audit as required under Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 has been completed by the auditors of the Company.
- 6 The Company through Qualified Institutional Placement (QIP) allotted 20,000,000 equity shares to the eligible Qualified Institutional Buyers (QIB) at a issue price of ₹ 2,049 per equity share (including a premium of ₹ 2,039 per equity share) aggregating to ₹ 4,098 crore on 11th February, 2020. The issue was made in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the "SEBI ICDR Regulations"), and Sections 42 and 62 of the Companies Act, 2013, as amended, including the rules made thereunder (the "Issue"). Funds received pursuant to QIP are being utilised towards the object stated in the placement document and the balance unutilised as on 31st March, 2020 remain invested in deposits with scheduled commercial banks.
- 7 Pursuant to Avenue Supermarts Limited Employee Stock Option Scheme, 2016 Stock options convertible into 13,973,325 equity shares of ₹ 10/- each were granted to eligible employees at exercise price of ₹ 299/-. Out of the options granted, 38,43,095 options lapsed (31st March, 2019: 17,21,850) and 36,91,105 options were vested (31st March, 2019 : 18,000) as at 31st March, 2020. Against the vested options, 36,90,205 equity shares of ₹ 10/- each were allotted pursuant to exercise of options, and balance 900 options lapsed.
- 8 The Company has adopted modified retrospective approach as per para C8 (c)(ii) of IND AS 116 - Leases to its leases, effective from annual reporting period beginning 1st April, 2019. This has resulted in recognizing a right of use assets (an amount equal to the lease liability, adjusted by the prepaid lease rent) of ₹ 217.96 crores and an amount of ₹ 368.60 crores on account of reclassification of Leasehold Land as at 1st April, 2019. In the statement of profit and loss for the current period, operating lease expenses has changed from rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability. To this extent, performance for the quarter and year ended 31st March, 2020 is not comparable with previous period/year results.

Reconciliation for the above effects on Statement of Profit and Loss for the quarter and year ended 31st March, 2020 as follows:

( ₹ in Crores, unless otherwise stated)

Adjustments to increase / (decrease) in net profit	Quarter ended 31st March, 2020 comparable basis	Changes due to IND AS 116 increase / (decrease)	Quarter ended 31st March, 2020 as reported	Year ended 31st March, 2020 comparable basis	Changes due to IND AS 116 increase / (decrease)	Year ended 31st March, 2020 as reported
Other expenses	309.90	(23.56)	286.34	1,195.86	(83.65)	1,112.21
Finance costs	5.52	6.91	12.43	39.96	22.80	62.76
Depreciation and amortisation expense	74.24	20.59	94.83	260.36	79.45	339.81
Profit before tax	349.94	(3.94)	346.00	1,801.49	(18.60)	1,782.89
Earnings per share (of ₹ 10/- each) (not annualised):						
Basic in ₹	4.55	(0.06)	4.49	21.79	(0.30)	21.49
Diluted in ₹	4.52	(0.06)	4.46	21.62	(0.29)	21.33

- 9 Tax expenses for the quarter and year ended 31st March, 2020 reflect changes made vide Taxation Laws (Amendment) Act, 2019 as applicable to the Company.
- 10 The global spread of Covid-19 has led to an uncertain and unpredictable path ahead for all of us. Amidst the tumult of this unprecedented period, our priority has been to safeguard the health and well-being of our customers, employees and our communities while continuing our business operations. As the lockdown continues further, we are seeing reduced sales and lower footfalls in our stores. Reduction in variable costs will trail sales drop, abetted by higher cost of hygiene and sanitation at all our locations apart from higher absenteeism due to transport restrictions. The full extent to which the pandemic will impact our future financial results will depend on upcoming developments, which are highly uncertain including any new information concerning the severity of the pandemic and the action to mitigate its spread as advised by local authorities.
- 11 The Company is primarily engaged in the business of retail trades through offline channels. There are no separate reportable segment as per IND AS 108 - Operating Segments.
- 12 The standalone figures of the last quarter are the balancing figure between the audited figures in respect of the full financial year upto 31st March, 2020 and 31st March, 2019 and the unaudited year-to-date figures upto 31st December, 2019 and 31st December, 2018 being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 13 Previous year / quarter figures are regrouped and rearranged wherever necessary. -

For and on behalf of the Board of Directors of  
Avenue Supermarts Limited



Ignatius Navil Noronha  
CEO & Managing Director

Place: Thane  
Date: 23rd May, 2020

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**Independent Auditor's Report On Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

To  
Board of Directors of  
Avenue Supermarts Limited

**Report on the audit of the Consolidated Financial Results****Opinion**

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Avenue Supermarts Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended March 31, 2019, as reported in these consolidated financial results have been approved by the Holding Company's Board of Directors but have not been subjected to audit/review.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements of the subsidiaries, the Statement:

- i. includes the results of the following entities
  1. Avenue Ecommerce Limited
  2. Align Retail Trades and Private Limited
  3. Nahar Seth & Jogani Developers Private Limited
  4. Avenue Food Plaza Private Limited
  5. Reflect Wholesale and Retail Private Limited
- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.



**Management's Responsibilities for the Consolidated Financial Results**

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.





- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

#### **Other Matter**

The accompanying Statement includes the audited financial results/statements and other financial information, in respect of 3 subsidiaries, whose financial results/statements include total assets of Rs 41.08 crore as at March 31, 2020, total revenues of Rs 8.35 crore and Rs 32.41 crore, total net profit after tax of Rs. 1.06 crore and Rs. 6.82 crore, total comprehensive income of Rs. 0.00 crore and Rs.0.00 crore for the quarter and the year ended on that date respectively, and net cash outflows of Rs. 0.87 crore for the year ended March 31, 2020, as considered in the Statement which have been audited by their respective independent auditors.

The independent auditor's report on the financial statements/financial results/financial information of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S R B C & C O. L L P

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Vijay Maniar

Partner

Membership No.: 36738

UDIN: 20036738AAAACD3253

Mumbai; May 23, 2020





# Avenue Supermarts Limited

CIN : L51900MH2000PLC126473

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

**Audited consolidated financial results for the quarter and year ended 31st March, 2020**

( ₹ in Crores, unless otherwise stated)

Sr.No.	Particulars	Quarter ended 31st March, 2020 (refer note 12)	Quarter ended 31st December, 2019	Quarter ended 31st March, 2019 (refer note 12)	Year ended 31st March, 2020	Year ended 31st March, 2019
		(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	<b>Income</b>					
	a) Revenue from operations	6,255.93	6,808.93	5,061.65	24,870.20	20,004.52
	b) Other income	34.85	6.07	13.24	59.99	48.35
	<b>Total income</b>	<b>6,290.78</b>	<b>6,815.00</b>	<b>5,074.89</b>	<b>24,930.19</b>	<b>20,052.87</b>
2	<b>Expenses</b>					
	a) Purchases of stock-in-trade	5,510.48	5,541.00	4,430.32	21,441.68	17,445.49
	b) Change in inventories of stock-in-trade	(104.64)	224.78	(110.87)	(338.75)	(444.65)
	c) Employee benefits expense	126.14	118.45	91.95	456.10	355.42
	d) Finance costs	14.36	17.60	12.04	69.12	47.21
	e) Depreciation and amortisation expense	104.57	95.24	65.85	374.41	212.49
	f) Other expenses	306.62	327.96	277.92	1,182.86	1,014.97
	<b>Total expenses</b>	<b>5,957.53</b>	<b>6,325.03</b>	<b>4,767.21</b>	<b>23,185.42</b>	<b>18,630.93</b>
3	<b>Profit before tax</b>	<b>333.25</b>	<b>489.97</b>	<b>307.68</b>	<b>1,744.77</b>	<b>1,421.94</b>
4	<b>Tax expenses (refer note 9)</b>					
	Current tax	69.77	110.81	107.77	459.74	509.13
	Deferred tax charge	(7.80)	(4.88)	15.64	(15.97)	18.02
	Tax in respect of earlier period/ year	-	0.03	(7.30)	0.02	(7.67)
5	<b>Net profit after tax</b>	<b>271.28</b>	<b>384.01</b>	<b>191.57</b>	<b>1,300.98</b>	<b>902.46</b>
6	Other comprehensive income (net of tax)	0.23	(1.44)	(0.90)	(4.08)	(1.31)
7	<b>Total comprehensive income for the period / year</b>	<b>271.51</b>	<b>382.57</b>	<b>190.67</b>	<b>1,296.90</b>	<b>901.15</b>
8	<b>Profit for the period / year</b>	<b>271.28</b>	<b>384.01</b>	<b>191.57</b>	<b>1,300.98</b>	<b>902.46</b>
	<b>Attributable to:</b>					
	Equity holders of the parent	271.29	384.04	191.58	1,301.08	902.54
	Non-controlling interests	(0.01)	(0.03)	(0.01)	(0.10)	(0.08)
9	<b>Total comprehensive income for the period / year</b>	<b>271.51</b>	<b>382.57</b>	<b>190.67</b>	<b>1,296.90</b>	<b>901.15</b>
	<b>Attributable to:</b>					
	Equity holders of the parent	271.52	382.60	190.68	1,297.00	901.23
	Non-controlling interests	(0.01)	(0.03)	(0.01)	(0.10)	(0.08)
10	<b>Paid-up equity share capital</b> (Face Value - ₹ 10/- per share)	<b>647.77</b>	<b>627.77</b>	<b>624.08</b>	<b>647.77</b>	<b>624.08</b>
11	<b>Other equity (excluding revaluation reserves)</b>				<b>10,431.97</b>	<b>4,963.37</b>
12	<b>Earnings per share (of ₹ 10/- each) (not annualised):</b>					
	a) Basic in ₹	4.25	6.14	3.07	20.71	14.46
	b) Diluted in ₹	4.21	6.09	3.03	20.55	14.26

*[Signature]*





## Notes:

## 1 Consolidated Balance Sheet as at 31st March, 2020

( ₹ in Crores, unless otherwise stated)

Sr. No.	Particulars	As at 31st March, 2020 (Audited)	As at 31st March, 2019 (Audited)
I	<b>Assets</b>		
1)	<b>Non-current assets</b>		
a	Property, plant and equipment	5,107.36	4,274.03
b	Capital work-in-progress	364.40	376.84
c	Right of use assets	717.33	-
d	Investment properties	16.53	18.10
e	Goodwill	78.27	78.27
f	Intangible assets	28.54	29.97
g	<b>Financial assets</b>		
g.i	Other non-current financial assets	3,122.67	31.74
h	Income tax assets (net)	8.25	0.64
i	Deferred tax assets (net)	0.29	0.22
j	Other non-current assets	285.14	113.33
	<b>Total non-current assets</b>	<b>9,728.78</b>	<b>4,923.14</b>
2)	<b>Current assets</b>		
a	Inventories	1,947.40	1,608.65
b	<b>Financial assets</b>		
b.i	Investments	14.68	16.53
b.ii	Trade receivables	19.55	64.37
b.iii	Cash and cash equivalents	105.87	124.98
b.iv	Bank Balances other than cash and cash equivalents	2.01	94.09
b.v	Other current financial assets	109.06	59.10
c	Other current assets	149.10	114.86
	<b>Total current assets</b>	<b>2,347.67</b>	<b>2,082.58</b>
	<b>Total assets</b>	<b>12,076.45</b>	<b>7,005.72</b>
II	<b>Equity and liabilities</b>		
1)	<b>Equity</b>		
a	Equity share capital	647.77	624.08
b	Other equity	10,431.97	4,963.37
	<b>Equity attributable to owner</b>	<b>11,079.74</b>	<b>5,587.45</b>
	Non-controlling interest	0.46	0.56
	<b>Total equity</b>	<b>11,080.20</b>	<b>5,588.01</b>
2)	<b>Non current liabilities</b>		
a	<b>Financial liabilities</b>		
a.i	Borrowings	-	125.67
a.ii	Lease Liability	221.11	-
a.iii	Other non-current financial liabilities	0.47	0.78
b	Provisions	1.48	1.05
c	Deferred tax liabilities (net)	47.39	63.29
	<b>Total non current liabilities</b>	<b>270.45</b>	<b>190.79</b>
3)	<b>Current liabilities</b>		
a	<b>Financial liabilities</b>		
a.i	Borrowings	3.73	304.15
a.ii	Lease Liability	74.35	-
a.iii	Trade payables		
	Micro and small enterprises	17.47	5.44
	Other than micro and small enterprises	415.98	457.83
a.iv	Other current financial liabilities	177.94	396.93
b	Current tax liabilities (net)	0.45	26.78
c	Other current liabilities	20.70	22.95
d	Provisions	15.18	12.84
	<b>Total current liabilities</b>	<b>725.80</b>	<b>1,226.92</b>
	<b>Total equity and liabilities</b>	<b>12,076.45</b>	<b>7,005.72</b>





2 Consolidated cash flows Statements for the year ended 31st March, 2020

( ₹ in Crores, unless otherwise stated)

Sr. No.	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
		(Audited)	(Audited)
I	<b>Cash flow from operating activities:</b>		
	Profit before tax	1,744.77	1,421.94
	Adjustments for:		
	Depreciation and amortization expenses	374.41	212.49
	Finance cost	69.12	47.21
	Interest income	(32.49)	(23.59)
	Profit on sale of investments	(10.16)	(11.35)
	Expense on employee stock option scheme	8.46	17.15
	Rent income	(2.88)	(3.60)
	(Gain)/ loss on disposal of property plant and equipment (net)	(2.45)	(0.99)
		404.01	237.32
	<b>Operating profit before working capital changes</b>	<b>2,148.78</b>	<b>1,659.26</b>
	Adjustments for:		
	Increase/(decrease) in trade payables	(29.82)	145.99
	Decrease in current provisions	(3.04)	(1.15)
	Increase/(decrease) in other current financial liabilities	24.28	(29.45)
	Increase/(decrease) in other current liabilities	(2.24)	10.45
	Increase in non-current provisions	0.43	0.31
	Decrease in other non-current financial liabilities	(0.31)	-
	(Increase)/decrease in trade receivables	44.82	(30.87)
	Increase in inventories	(338.75)	(445.20)
	Decrease in current investments	1.85	51.65
	(Increase)/decrease in other non-current financial assets	(11.33)	9.66
	Increase in bank balances other than cash and cash equivalents	(0.50)	(0.50)
	Increase in other current assets	(42.43)	(67.18)
	(Increase)/ decrease in other current financial assets	(19.20)	5.64
		(376.24)	(350.65)
	Cash flow from operating activities	1,772.54	1,308.61
	Direct taxes paid (net of refunds)	(492.40)	(501.77)
	<b>Net cash flow from operating activities</b>	<b>1,280.14</b>	<b>806.84</b>
II	<b>Cash flow from investing activities:</b>		
	Proceeds from disposal of property plant and equipment	6.15	8.44
	Realisation from FDs of IPO proceeds	92.58	399.14
	Realisation from FDs of QIP proceeds	129.00	-
	Interest received	11.84	36.35
	Gain on sale of investments	10.16	11.35
	Rent income received	2.88	3.15
		252.61	458.43
	Purchase of property, plant and equipment / intangible assets / investment properties	(1,712.17)	(1,416.80)
	QIP proceeds deposited in FDs	(3,197.00)	-
		(4,909.17)	(1,416.80)
	<b>Net cash flow from investing activities</b>	<b>(4,656.56)</b>	<b>(958.37)</b>
III	<b>Cash flow from financing activities:</b>		
	Proceeds from issue of QIP (net of expenses)	4,076.51	-
	Proceeds from exercise of share options	110.34	-
	Proceeds from long term borrowings	50.00	150.00
	Proceeds from short term borrowings	261.03	55.00
	Proceeds from commercial papers	789.46	786.52
	Proceeds from non convertible debentures	300.00	-
		5,587.34	991.52
	Repayment of long term borrowings	(200.00)	(16.00)
	Repayment of short term borrowings	(315.00)	(4.55)
	Repayment of commercial papers	(1,034.99)	(540.99)
	Repayment of non convertible debentures	(512.00)	(170.00)
	Payment of Lease Liability	(99.76)	-
	Interest paid	(68.17)	(51.00)
		(2,229.92)	(782.54)
	<b>Net Cash flow from financing activities</b>	<b>3,357.42</b>	<b>208.98</b>
	Net increase in cash and cash equivalent	(19.00)	57.45
	Cash and cash equivalents at beginning for the year (including overdraft balance)	124.86	67.41
	Cash and cash equivalents at end of the year	105.86	124.86
	Cash and cash equivalents as per above comprises of the following		
	Cash and cash equivalents	105.87	124.98
	Bank overdrawn	(0.01)	(0.12)
	Balance as per statement of cash flows	105.86	124.86





## Notes

- 3 The above financial results have been prepared in accordance with Indian Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.
- 4 The above financial results have been reviewed and recommended by the Audit Committee and have been approved and taken on record by the Board of Directors at its meeting held on 23rd May, 2020.
- 5 The audit as required under Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 has been completed by the auditors of the Group.
- 6 The Parent Company through Qualified Institutional Placement (QIP) allotted 20,000,000 equity shares to the eligible Qualified Institutional Buyers (QIB) at a issue price of ₹ 2,049 per equity share (including a premium of ₹ 2,039 per equity share) aggregating to ₹ 4,098 crore on 11th February, 2020. The issue was made in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the "SEBI ICDR Regulations"), and Sections 42 and 62 of the Companies Act, 2013, as amended, including the rules made thereunder (the "Issue"). Funds received pursuant to QIP are being utilised towards the object stated in the placement document and the balance unutilised as on 31st March, 2020 remain invested in deposits with scheduled commercial banks.
- 7 Pursuant to Avenue Supermarts Limited Employee Stock Option Scheme, 2016 Stock options convertible into 13,973,325 equity shares of ₹ 10/- each were granted to eligible employees at exercise price of ₹ 299/-. Out of the options granted, 38,43,095 options lapsed (31st March, 2019: 17,21,850) and 36,91,105 options were vested (31st March, 2019 : 18,000) as at 31st March, 2020. Against the vested options, 36,90,205 of ₹ 10/- each were allotted pursuant to exercise of options, and balance 900 options lapsed.
- 8 The Group has adopted modified retrospective approach as per para C8 (c)(ii) of IND AS 116 - Leases to its leases, effective from annual reporting period beginning 1st April, 2019. This has resulted in recognizing a right of use assets (an amount equal to the lease liability, adjusted by the prepaid lease rent) of ₹ 262.77 crores and an amount of ₹ 390.04 crores on account of reclassification of Leasehold Land as at 1st April, 2019. In the statement of profit and loss for the current period, operating lease expenses has changed from rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability. To this extent performance for the year and quarter and year ended 31st March, 2020 is not comparable with previous period/year results. Reconciliation for the above effects on Statement of Profit and Loss for the quarter and year ended 31st March, 2020 as follows:

(₹ in Crores, unless otherwise stated)

Adjustments to Increase/ (decrease) in net profit	Quarter ended 31st March, 2020 comparable basis	Changes due to IND AS 116 Increase /(decrease)	Quarter ended 31st March, 2020 as reported	Year ended 31st March, 2020 comparable basis	Changes due to IND AS 116 Increase /(decrease)	Year ended 31st March, 2020 as reported
Other expenses	335.60	(28.98)	306.62	1,287.38	(104.52)	1,182.86
Finance costs	5.60	8.76	14.36	40.21	28.91	69.12
Depreciation and amortisation expense	79.32	25.25	104.57	278.57	95.84	374.41
Profit before tax	338.28	(5.03)	333.25	1,765.00	(20.23)	1,744.77
Earnings per share (of ₹ 10/- each) (not annualised):						
Basic in ₹	4.33	(0.08)	4.25	21.03	(0.32)	20.71
Diluted in ₹	4.29	(0.08)	4.21	20.87	(0.32)	20.55

- 9 Tax expenses for the quarter and year ended 31st March, 2020 reflect changes made vide Taxation Law (Amendment) Act, 2019 as applicable to the group.
- 10 The global spread of Covid-19 has led to an uncertain and unpredictable path ahead for all of us. Amidst the tumult of this unprecedented period, our priority has been to safeguard the health and well-being of our customers, employees and our communities while continuing our business operations. As the lockdown continues further, we are seeing reduced sales and lower footfalls in our stores. Reduction in variable costs will trail sales drop, abetted by higher cost of hygiene and sanitation at all our locations apart from higher absenteeism due to transport restrictions. The full extent to which the pandemic will impact our future financial results will depend on upcoming developments, which are highly uncertain including any new information concerning the severity of the pandemic and the action to mitigate its spread as advised by local authorities.
- 11 The Group is primarily engaged in the business of retail trades through offline and online channels. There are no separate reportable segment as per IND AS 108 - Operating Segments.
- 12 The consolidated figures of the last quarter are the balancing figure between the audited figures in respect of the full financial year upto 31st March, 2020 and 31st March, 2019 and the unaudited year-to-date figures upto 31st December, 2019 being the date of the end of the third quarter of the financial year which were subjected to limited review and unaudited year-to-date figures upto 31st December, 2018 are approved by the Board of Directors and have not been subjected to Limited review by the auditor
- 13 Previous year / quarter figures are regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of  
Avenue Supermarts Limited



Ignatius Navil Moronha  
CEO & Managing Director

Place: Thane  
Date: 23rd May, 2020



# Avenue Supermarts Limited

Plot No. B-72 & B-72A, Wagle Industrial Estate, Thane (West), Maharashtra, India - 400 604

Tel.: 91 22 33400500 • Fax: 91 22 33400599 • e-mail: info@dmartindia.com • Website: www.dmartindia.com

23<sup>rd</sup> May, 2020

To,

BSE Limited  
Corporate Services Department  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai – 400 001

The National Stock Exchange of India Ltd.  
Corporate Communications Department  
“Exchange Plaza”, 5th Floor,  
Bandra – Kurla Complex, Bandra (East),  
Mumbai – 400 051

BSE Scrip Code: 540376

NSE Scrip Symbol: DMART

Sub: Declaration with respect to unmodified opinion in the Report of the Statutory Auditors on Audited Standalone and Consolidated Financial Results for the financial year ended 31<sup>st</sup> March, 2020

Dear Sir /Madam,

Pursuant to Regulation 33(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby declare that the Auditors Report on Standalone and Consolidated Financial Statements for the financial year ended 31<sup>st</sup> March, 2020 issued by S R B C & Co LLP, Chartered Accountants (Firm Registration No: 324982E/E300003), Statutory Auditors of the Company is with unmodified opinion.

This is for your information and records.

Thanking you.

Yours faithfully,  
For Avenue Supermarts Limited



Niladri Deb  
Chief Financial Officer



# **D<sup>★</sup>Mart**

## **AVENUE SUPERMARTS LIMITED**

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**Standalone Total Revenue up by 23% at Rs. 6,194 Crore**

**Standalone PAT up by 41.4% at Rs. 287 Crore**

**For the Quarter ended March 31, 2020 (Q4 FY20):**

**Standalone Results**

- Total Revenue stood at Rs. 6,194 crore, y-o-y growth of 23%
- EBITDA of Rs. 418 crore; y-o-y growth of 10.9%
- PAT stood at Rs. 287 crore; y-o-y growth of 41.4%
- Basic EPS for Q4 FY20 stood at Rs. 4.49, compared to Rs. 3.25 for Q4 FY19
- 18 stores were added in Q4 FY20

**For the Year ended March 31, 2020 (FY20):**

- Total Revenue stood at Rs. 24,675 crore, y-o-y growth of 23.9%
- EBITDA of Rs. 2,122 crore; y-o-y growth of 29.2%
- PAT stood at Rs. 1,350 crore; y-o-y growth of 44.2%
- Basic EPS for FY20 stood at Rs. 21.49, as compared to Rs. 15.00 for FY19
- 38 stores were added in FY20

**Mumbai, May 23, 2020:** Avenue Supermarts Ltd. (ASL), one of the largest food & grocery retailers in India, today declared its standalone and consolidated financial results for the quarter and year ended March 31, 2020

**Standalone results**

Total Revenue for the quarter ended March 31, 2020 stood at Rs. 6,194 crore, as compared to Rs. 5,033 crore in the same period last year.



Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) in Q4 FY20 stood at Rs. 418 crore, as compared to Rs. 377 crore in the corresponding quarter of last year. EBITDA margin is at 6.7% in Q4 FY 20 as compared to 7.5% in Q4 FY19.

Net Profit is at Rs. 287 crore for Q4 FY20, as compared to Rs. 203 crore in the same period last year. PAT margin improved from 4.0% in Q4 FY19 to 4.6% in Q4 FY20.

Basic Earnings per share (EPS) for Q4 FY20 stood at Rs. 4.49, as compared with Rs.3.25 for Q4 FY19.

Total Revenue for FY20 stood at Rs. 24,675 crore, as compared to Rs. 19,916 crore in the same period last year.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) in FY20 stood at Rs. 2,122 crore, as compared to Rs. 1,642 crore during FY19. EBITDA margin improved from 8.2% in FY19 to 8.6% in FY20.

Net Profit is at Rs. 1,350 crore for FY20, as compared to Rs. 936 crore in FY19. PAT margin improved from 4.7% in FY19 to 5.5% in FY20.

Basic Earnings per share (EPS) for FY20 stood at Rs. 21.49, as compared with Rs. 15.00 for FY19.

### **Consolidated results**

Total Revenue for the quarter ended March 31, 2020 stood at Rs. 6,256 crore, as compared to Rs. 5,062 crore in the same period last year.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) in Q4 FY20 stood at Rs. 417 crore, as compared to Rs. 372 crore in the corresponding quarter of last year. EBITDA margin is at 6.7% in Q4 FY 20 as compared to 7.4% in Q4 FY 19.

Net Profit is at Rs. 271 crore for Q4 FY20, as compared to Rs. 192 crore in the corresponding quarter of last year. PAT margin improved from 3.8% in Q4 FY19 to 4.3% in Q4 FY20.

Basic Earnings per share (EPS) for Q4 FY20 stood at Rs. 4.25, as compared with Rs. 3.07 for Q4 FY19.

Total Revenue for FY20 stood at Rs. 24,870 crore, as compared to Rs. 20,005 crore in FY 19.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) in FY20 stood at Rs. 2,128 crore, as compared to Rs. 1,633 crore during FY19. EBITDA margin improved from 8.2% in FY19 to 8.6% in FY20.

Net Profit of Rs. 1,301 crore for FY20, as compared to Rs. 902 crore in FY19. PAT margin improved from 4.5% in FY19 to 5.2% in FY20.

Basic Earnings per share (EPS) for FY20 stood at Rs. 20.71, as compared with Rs. 14.46 for FY19.

D-Mart follows **Everyday low cost - Everyday low price (EDLC-EDLP)** strategy which aims at procuring goods at competitive price, using operational and distribution efficiency and thereby delivering value for money to customers by selling at competitive prices.

Commenting on the performance of the company **Mr. Neville Noronha, CEO & Managing Director, Avenue Supermarts Limited**, said:

Overall, FY 2020 saw a healthy 24% revenue growth while PAT margins were in line with expectations. Our LFL growth for FY2020 was 10.9%. Two reasons for this. One is that stores that are more than 5 years old grew at a rate lower than the previous year and most of the stores that are younger are peaking faster, even before they qualify for the 24 months LFL measurement. We opened a record 38 new stores, 6-8 of those stores should have actually opened last year. We also completed a successful equity fund raise to make our balance sheet stronger, resilient and also help augment our future growth.

### **Covid-19 Update**

#### **A. Operational Impact**

The outbreak of Covid-19 is subjecting India and the world to extreme stress and uncertainty. Amidst the tumult of this unprecedented period, our priority has been to safeguard the health and well-being of our employees, customers and communities at large while continuing our business operations with responsibility and care.

The countrywide lockdown began towards the latter half of March 2020 during which most of our stores remained closed for operations and stores that were opened, operated for restricted hours as directed by local authorities. Customer footfalls were significantly lower than normal during those times. We sold only essential items and stopped the sale of all non-essential products (Apparel and General Merchandise). Staff attendance was significantly below par and our new store construction was abruptly halted. We also faced issues in the supply chain due to severe transport restrictions. The implementation of lockdown guidelines at the district/municipal jurisdiction levels has been far more stringent than suggested in the State Government and Central Government circulars released from time to time, thereby hampering smooth operations of the entire organisation across stores, warehouses, packing centres and administrative offices. Village elders and family members of employees restricted their members/wards from venturing out of home during the early days of the lockdown. Our suppliers faced similar problems and hence could not fulfill the orders we placed with them in full or in time.

We anticipated a lot of these issues based on what we saw in the rest of the world as the pandemic lagged in its progress in India. Basis this early learning we quickly adopted newer work practices at our Head Office, Regional Offices, Distribution Centres, Packing Centres and Stores. We moved extremely critical non store employees to work from home setups, made back up teams for every office working team so that if one team had to be quarantined, the other could take over, we did the same for our Store, Distribution Centre and Packing Centre teams. We also ensured regular sanitisation of all our premises and adequate availability of sanitising material, masks, non-contact thermometers to ensure all the best safety practices were followed before entering the work place and at the work place.



We have also popularized a catch phrase “1-2-3” across the firm. 1- Always wash your hands, as many times as possible. 2 - Do not touch your hand to your face. 3 - If you have fever, cold or dry cough, stay at home and rest, call your doctor. Hand sanitisers are abundantly available at all work places and everybody is mandated to wear a mask at all times at work place. In addition, all frequently touched surfaces are sanitised at regular intervals such as trolleys, shopping baskets, cash counters, office workstations etc.

We also announced an additional Covid-19 leave policy which is available for Covid-19 positive employees and also for any other employees who show Covid-19 type symptoms. This ensured that employees do not hesitate to stay at home even if showing mild symptoms. The Covid-19 leave policy covers all direct and indirect employees working at Dmart. We also announced a hardship allowance for all frontline staff. Frontline employees who continued to work during the pandemic lockdown period up to 3rd May earned at least double or more of their usual wages. This benefit covered at least 95% of all direct and indirect store, distribution centre and packing centre personnel. It is at times like these that employees look up to the firm to reassure them that their jobs are safe and that we are there when they need us, especially during a medical emergency. We have activated a separate cell that monitors every single Covid-19 positive employee and is supported through our local teams so that the employee and his family can avail all benefits without any difficulties. We are making every attempt to ensure that they feel safe and secure during this time.

We commenced servicing our customers through several new channels of delivery to provide them all essential goods such as Home Delivery (using DMart Ready Online App), DMart on Wheels (DOW) for large housing complexes, etc. Some of our stores also operated on a 24-hour basis wherever authorities permitted it. Scaling the Dmart Ready App to operate across more than 200 stores, ensuring all operating metrics of order picking, route planning, delivery, etc demonstrates the inherent capabilities of the team to ideate, activate and execute projects in short time frames. Similar is the case of the DOW project. Our local store teams would set up a mini store with a small assortment of essential products in a large housing complex for 6-8 hours. However as mentioned before, these are temporary activities and shall be withdrawn once the overall lockdown is relaxed and there are reasonable footfalls back to the store. Avenue Supermarts Limited would like to focus on what it is good at - running Brick and Mortar store business.

## **B. Financial Impact**

Our overall revenue grew by 23% during the quarter ending March 2020, however during the month of March 2020 it grew by just 11% over March 2019 due to the lockdown effect of the last 9 days of March this year. The trend rapidly deteriorated in April during which more than half of our stores remained closed for operations or operated for extremely restricted hours. Our revenue for April was down by more than 45% as compared to April 2019. Our margins have also seen erosion as regulations did not permit us to sell any Apparel and General Merchandise products. We have also seen substantial absenteeism of our staff with some stores seeing 70% absenteeism in the beginning but now recovering. We are however not yet near our normal employee attendance. As some of the restrictions continue, we are seeing reduced sales and lower than usual footfalls in our stores. Significantly large EBITDA declines are to be expected due to lower sales, lower gross margins, higher cost of operations on account of hardship allowance to front line staff during lockdown and higher personal hygiene/store sanitation costs.

Post certain relaxations, the month of May has seen some improvement. We were able to open and operate more stores as compared to April 2020. Those relaxations helped the first 14 days' revenue of May 2020 to increase by 17% over the first 14 days of April 2020. Supply chain has seen significant improvement as manufacturers also resumed operations and the transport of goods was allowed by all local authorities. The last seven days have seen further relaxation of lockdown rules and is allowing us to sell non essentials in approximately 35% of the stores. Initial trends indicate that non-essential sales are more need based and currently do not have a discretionary element to it. It is specific and targeted. This indicates that discretionary sales may take good time to recover to pre-Covid times. Some of our stores which are functioning on a 24-hour basis for a very long time now have seen revenue trending closer to pre-Covid-19 levels despite not selling non-essentials and having restricted footfalls. We are not sure if this would replicate in all cities, nonetheless it is an encouraging sign in an otherwise uncertain near term outlook.

### C. Conclusion

The challenges are likely to continue in the current financial year as the economy gradually opens after the lockdown. Social distancing practices and changing consumer preferences are two key trends that we need to be watching carefully. Inventory write-offs due to shelf life aging and obsolescence doesn't seem to be a significant issue of worry yet, however it could become a meaningful problem if the lock down measures continue to be as stringent as before and for a further period exceeding 40-50 days from now. Our new store openings will be impacted as construction activity will commence with some lag due to availability of labour & material and the onset of monsoon from mid-June onwards in most parts of the country.

The full extent to which the pandemic will impact our future financial results will depend upon upcoming developments, which are highly uncertain including any new information concerning the severity of the pandemic and the action to mitigate its spread as advised by local authorities.

These are trying times and we are doing our best, first to keep our employees safe, then to assure our customers that shopping at DMart is 100% safe, to assure our vendors and partners that doing business with DMart is business as usual, to let the authorities know that we support them in all that they are trying to do and lastly to all our investors – we will continue to do everything else just like before. We believe that all of what we sell is essentials, even among the non-essentials....and there is no better time than now to sell essentials.

**About Avenue Supermarts Limited:** ([www.dmartindia.com](http://www.dmartindia.com); BSE: 540376; NSE: DMART)

Avenue Supermarts Limited is a Mumbai-based company, which owns and operates D-Mart stores. D-Mart is a national supermarket chain with a focus on value retailing. The Company offers a wide range of products with a focus on Foods, Non-Foods (FMCG) and General Merchandise & Apparel product categories. The Company offers its products under various categories, such as grocery and staples, daily essentials, processed foods and beverages, snacks, dairy and frozen, home and personal care, bed and bath, crockery, toys and games, apparel for kids, ladies and men.



The Company opened its first store in Mumbai, Maharashtra in 2002. As of March 31, 2020 the Company had 214 stores with Retail Business Area of 7.8 million sq. ft. across Maharashtra, Gujarat, Daman, Andhra Pradesh, Karnataka, Telangana, Tamil Nadu, Madhya Pradesh, Rajasthan, NCR, Chhattisgarh and Punjab.

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## **Corporate Presentation**

**D-Mart**  
Daily Discounts Daily Savings

**Fiscal 2020**



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**1. Business Overview**

**2. Operating & Financial Summary**



# Business Overview



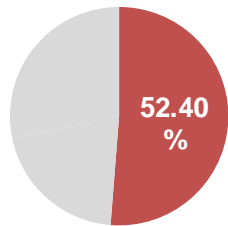
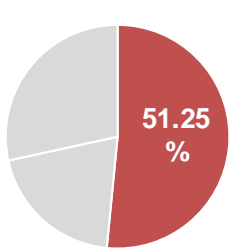
# Key Product Categories

## Foods

### Share of Revenue

FY19

FY20



Dairy



Staples



Groceries



Snacks



Frozen Products



Processed Foods



Beverages and Confectionery



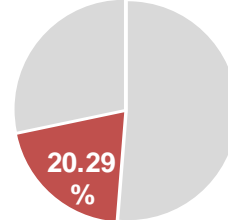
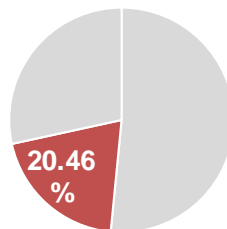
Fruits & Vegetables

## Non-Foods (FMCG)

### Share of Revenue

FY19

FY20



Home Care



Personal Care



Toiletries



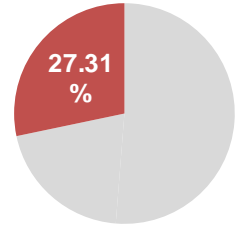
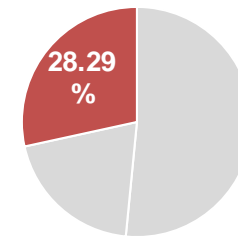
Other over the counter products

## General Merchandise & Apparel

### Share of Revenue

FY19

FY20



Bed & Bath



Toys & Games



Crockery



Plastic Goods



Garments

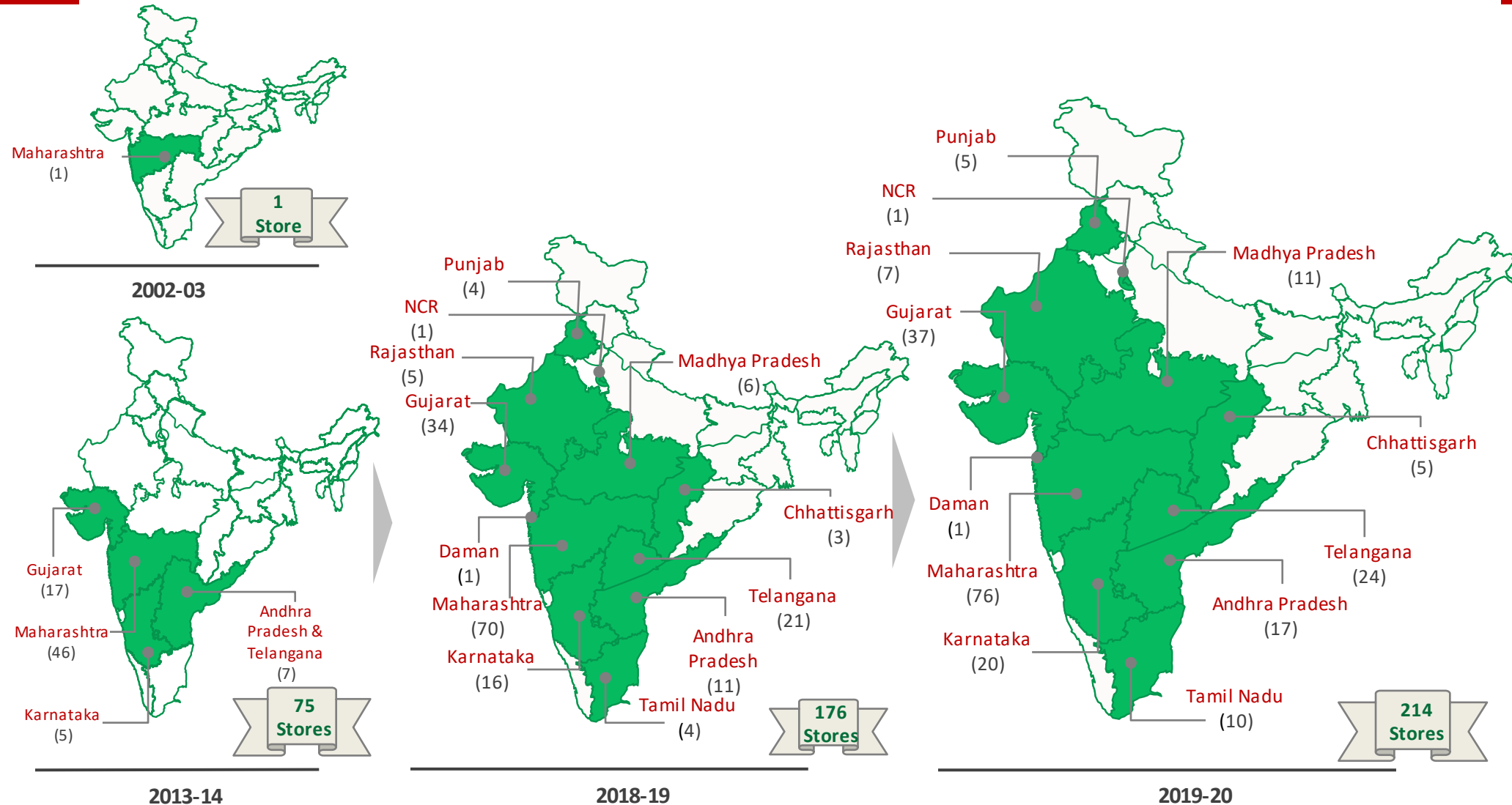


Footwear



Home Appliances

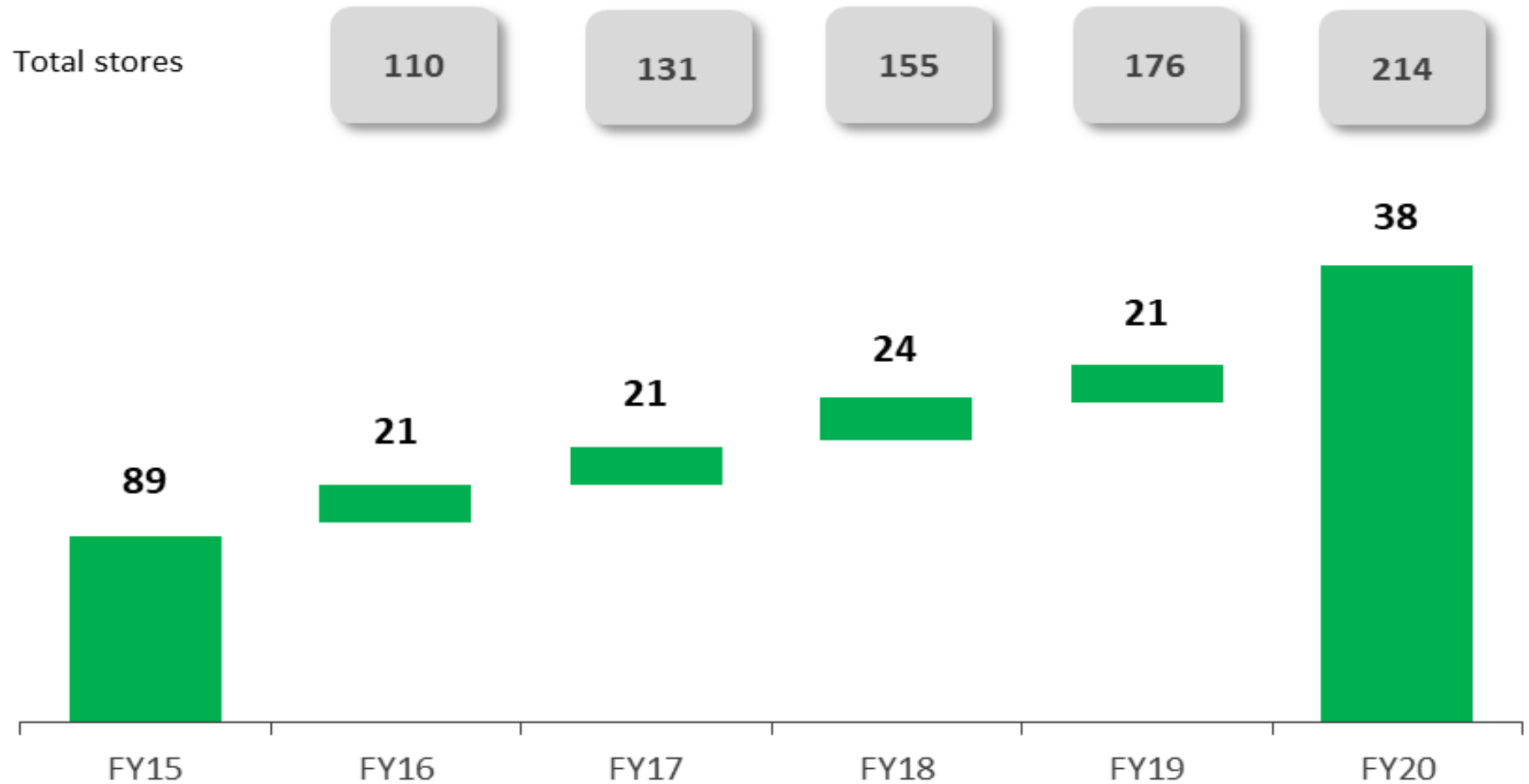
# Cluster Based Expansion Strategy Continues



Numbers in bracket represent stores in that particular state



## Year Wise Store Additions



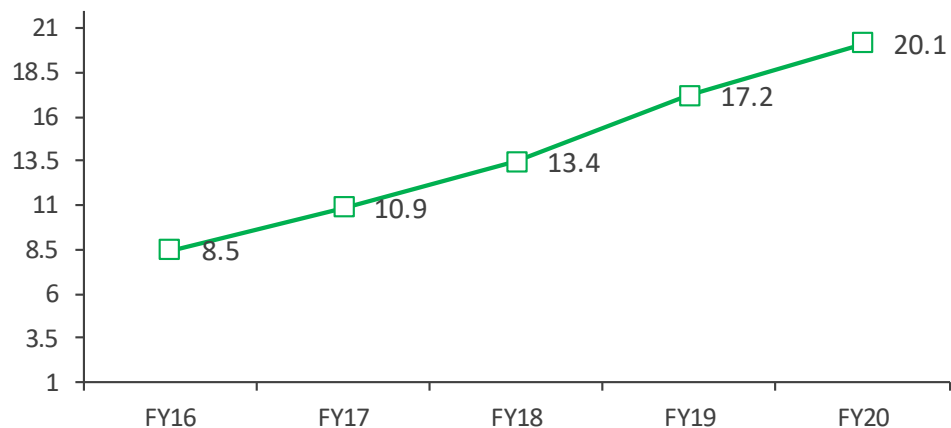


# Operating & Financial Summary

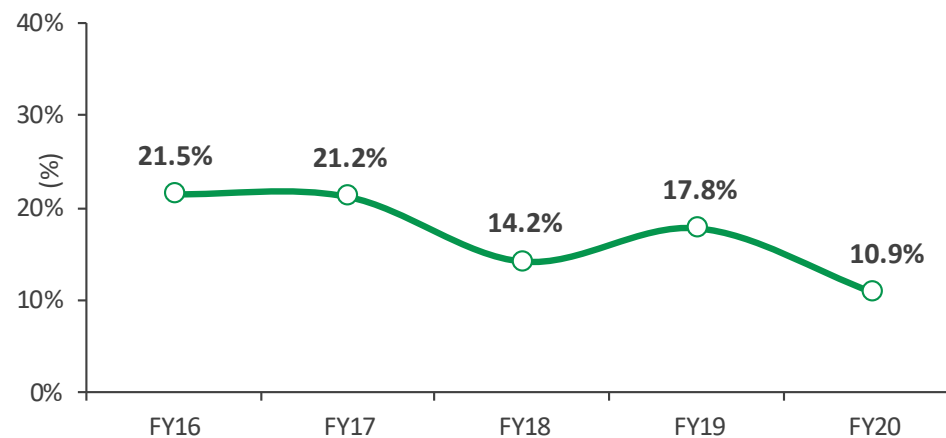


# Operating & Financial Summary

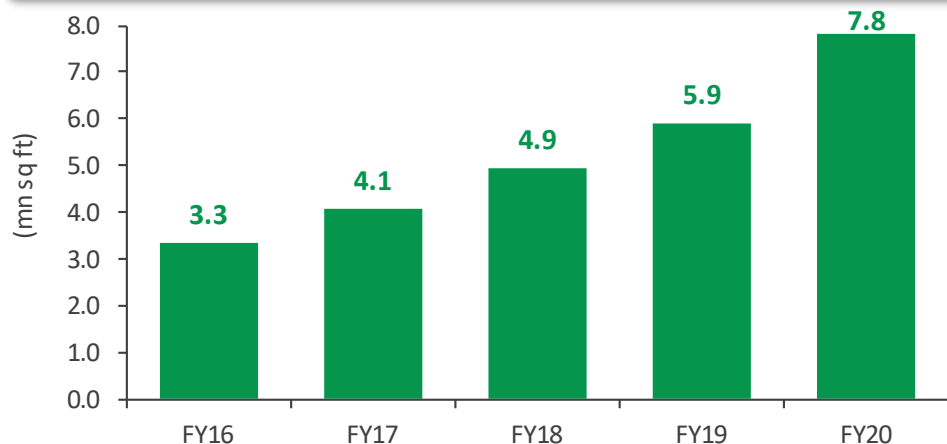
Total Bills Cuts (in Crs)



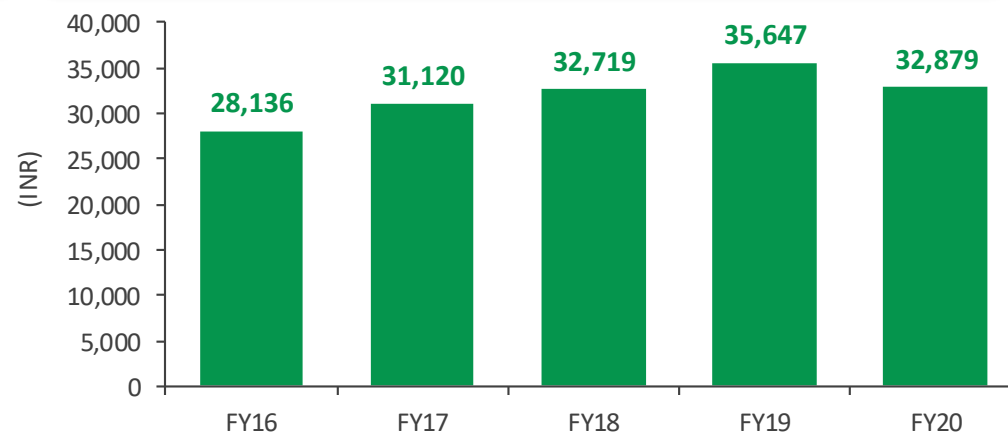
Like For Like Growth (24 Months)\*



Retail Business Area at Fiscal End



Revenue from Sales per Retail Business Area sq ft#

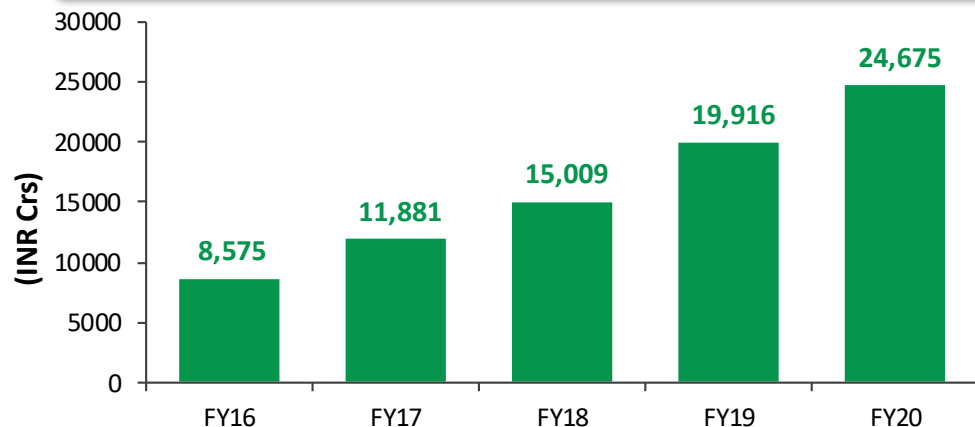


\*: LFL growth means the growth in revenue from sales of same stores which have been operational for at least 24 months at the end of a Fiscal Year

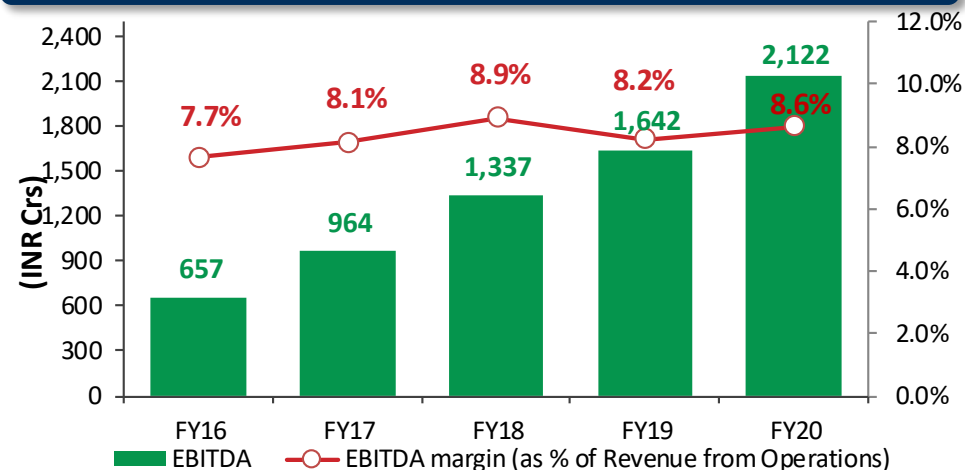
#: Annualized revenue from sales calculated on the basis of 366 days in a year (on standalone basis) divided by Retail Business Area at the end of Fiscal Year

# Operating & Financial Summary (Cont'd.)

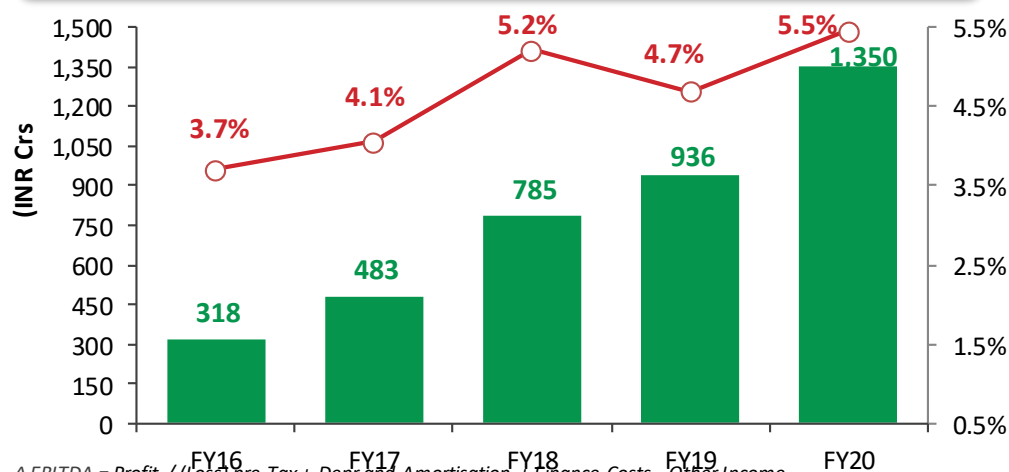
## Revenue from Operations



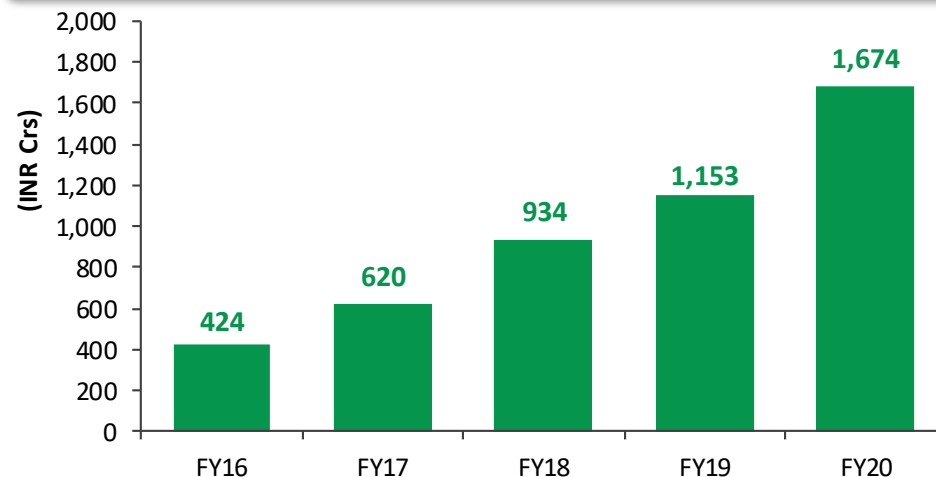
## EBITDA<sup>^</sup> & EBITDA Margin



## PAT & PAT margin



## Net Cash flow from Operations



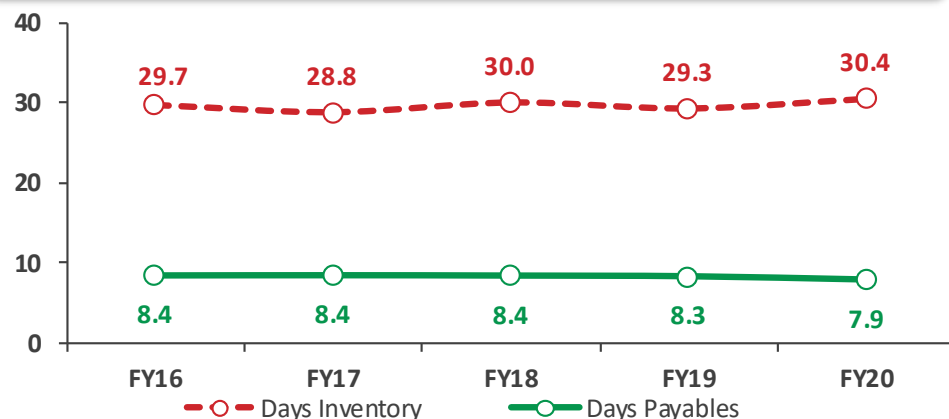
<sup>^</sup> EBITDA = Profit / (Loss) pre Tax + Depr and Amortisation + Finance Costs - Other Income

\* Revenue from operations is including other operating income and excluding other income

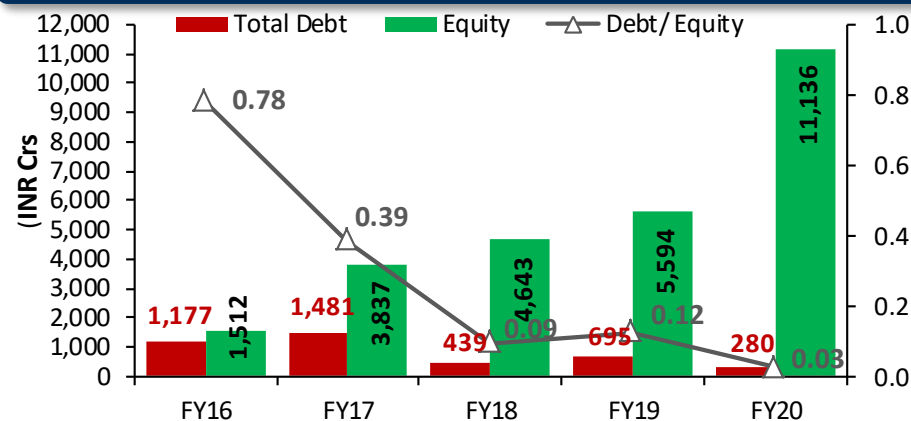
<sup>^</sup> EBITDA of FY20 includes gain of Rs. 84 crores due to impact of Ind As 116

# Operating & Financial Summary (Cont'd.)

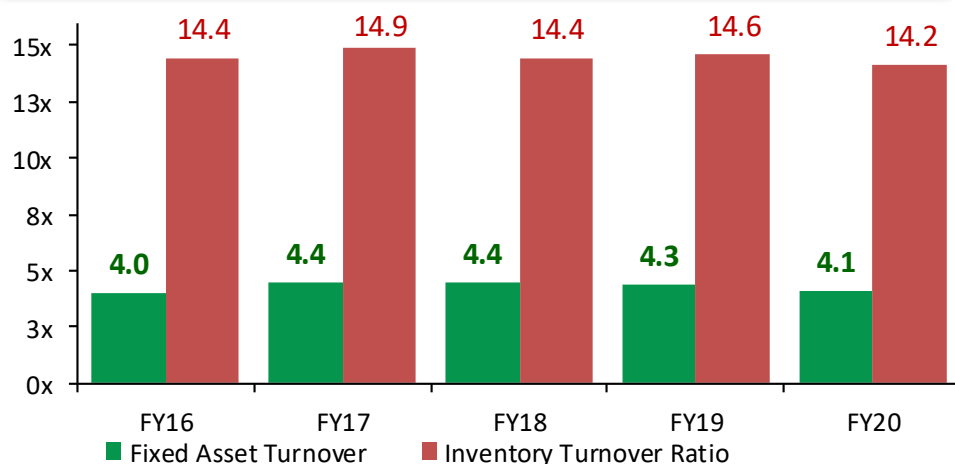
## Days Inventory & Days Payables



## Debt and Equity



## Fixed Asset\* and Inventory Turnover^ Ratio

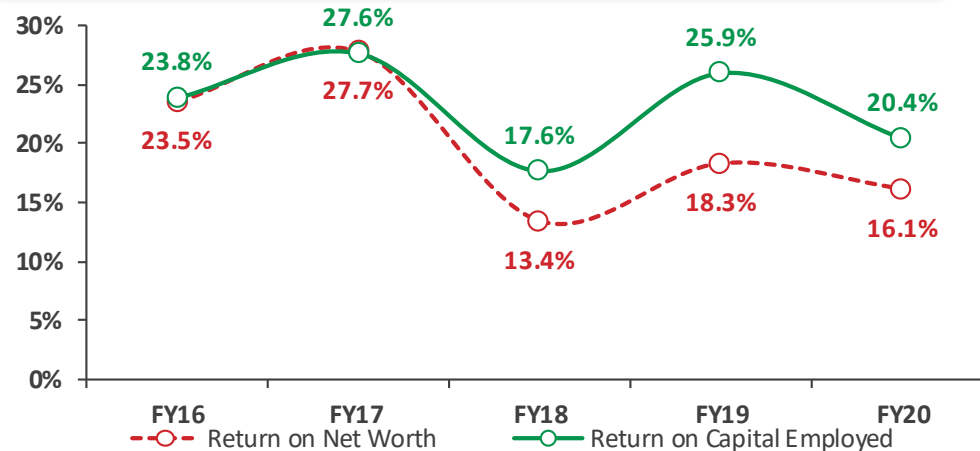


\* Fixed Asset Turnover = Revenue from Operations/Total Fixed Assets (incl RTU Assets per AS116)

^ Inventory Turnover Ratio = Revenue from Operations/Average Inventory

Days Inventory = (Average Inventory / COGS)\*366; Days Payables = (Average Payables / COGS)\*366

## Return on Net Worth and Return on Capital Employed



Debt = Short + Long Term borrowings + Current portion of LT Debt + Lease Liab (per Ind AS 116)

Return on Net Worth = Net profit after tax / Average Net Worth

Return on Capital Employed = EBIT / (Avg Debt + Avg Equity - Avg Cash - Avg Current Investment)

\* Proceeds from IPO (received on 18<sup>th</sup> March, 2017) have not been considered for FY17



**Thank you!**