

# 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

12<sup>th</sup> January, 2019

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 12<sup>th</sup> January, 2019**

Dear Sir /Madam,

With reference to the captioned subject, we hereby inform you that Board of Directors of the Company at its meeting held on 12<sup>th</sup> January, 2019, inter-alia other matters, has approved the following:

1. The Standalone Un-audited Financial Statement for the quarter and nine months ended on 31<sup>st</sup> December, 2018 along with the Limited Review 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 (hereinafter referred to as “Listing Regulations”) and the same is attached herewith as Annexure A.
2. Increase in the limits for issuance of Commercial Paper from Rs. 500 crores to Rs. 900 crores, from time to time.
3. Re-appointment of Mr. Ramesh Damani (DIN: 00304347) as Non-Executive Independent Director of the Company for second term of 5 (five) consecutive years for the period starting from 1<sup>st</sup> April, 2019 till 31<sup>st</sup> March, 2024, subject to approval of shareholders of the Company.
4. Re-appointment of Mr. Ramakant Baheti (DIN: 00246480) as a Whole-time Director of the Company and designated as ‘Group Chief Financial Officer’ for a period of five years with effect from 1<sup>st</sup> May, 2019 to 30<sup>th</sup> April, 2024, subject to approval of shareholders of the Company.

The brief profile of aforesaid Directors are attached herewith as ‘Annexure B’.

We affirm that Mr. Ramesh Damani and Mr. Ramakant Baheti are not debarred from holding the office of Director by virtue of any order of Securities and Exchange Board of India or any other such authority.



CIN: L51900MH2000PLC126473

REGISTERED ADDRESS: Anjaneya, Opp. Hiranandani Foundation School, Powai, Mumbai, Maharashtra, India - 400076

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Pursuant to Regulation 32(1) of the Listing Regulations, please note that there is no deviation/variation in the utilization of proceeds as mentioned in the objects stated in the Prospectus dated 14<sup>th</sup> March, 2017, in respect of the Initial Public Offering of the Company.

The said meeting commenced at 1.00 P.M. and concluded at 3.15 P.M.

Kindly take the same on your record and acknowledge.

Thanking you.

Yours faithfully,  
For **Avenue Supermarts Limited**

*Ashu Gupta*

**Ashu Gupta**  
**Company Secretary & Compliance Officer**



Encl: As above

**Limited Review Report**

**Review Report to  
The Board of Directors  
Avenue Supermarts Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Avenue Supermarts Limited ('the Company') for the quarter ended December 31, 2018 and year to date from April 1, 2018 to December 31, 2018 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm registration number: 324982E/E300003



per Vijay Maniar  
Partner  
Membership No.: 36738  
Place of Signature: Mumbai  
Date: January 12, 2019





# Avenue Supermarts Limited

CIN L51900MH2000PLC126473

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

Unaudited financial results for the quarter and nine months ended 31st December, 2018

(₹ Crores, unless otherwise stated)

Sr.No.	Particulars	Standalone					
		Quarter ended 31st December, 2018 (Unaudited)	Quarter ended 30th September, 2018 (Unaudited)	Quarter ended 31st December, 2017 (Unaudited)	Nine months ended 31st December, 2018 (Unaudited)	Nine months ended 31st December, 2017 (Unaudited)	Year ended 31st March, 2018 (Audited)
1	<b>Income</b>						
	a) Revenue from operations	5,450.94	4,872.52	4,093.89	14,882.88	11,198.93	15,008.89
	b) Other income	8.64	13.86	13.64	36.75	57.73	72.64
	<b>Total income</b>	<b>5,459.58</b>	<b>4,886.38</b>	<b>4,107.53</b>	<b>14,919.63</b>	<b>11,256.66</b>	<b>15,081.53</b>
2	<b>Expenses</b>						
	a) Purchases of stock-in-trade	4,673.67	4,394.61	3,185.73	12,994.73	9,493.29	12,862.76
	b) Change in inventories of stock-in-trade	(23.62)	(220.39)	237.06	(323.11)	(87.61)	(213.88)
	c) Employee benefits expense	87.93	84.20	70.42	249.09	204.14	276.56
	d) Finance costs	14.89	10.08	10.96	34.99	46.23	59.41
	e) Depreciation and amortisation expense	52.16	44.37	39.29	136.86	108.14	154.65
	f) Other expenses	259.63	224.46	178.92	696.52	546.25	746.12
	<b>Total expenses</b>	<b>5,064.66</b>	<b>4,537.33</b>	<b>3,722.38</b>	<b>13,789.08</b>	<b>10,310.44</b>	<b>13,885.62</b>
3	<b>Profit before tax</b>	<b>394.92</b>	<b>349.05</b>	<b>385.15</b>	<b>1,130.55</b>	<b>946.22</b>	<b>1,195.91</b>
4	<b>Tax expenses</b>						
	Current tax	150.02	111.22	131.15	395.35	323.93	417.17
	Deferred tax charge	(12.21)	12.37	2.73	2.11	5.18	(5.45)
	Tax in respect of earlier years	-	(0.28)	(0.50)	(0.37)	(0.47)	(0.49)
	<b>Net profit after tax</b>	<b>257.11</b>	<b>225.74</b>	<b>251.77</b>	<b>733.46</b>	<b>617.58</b>	<b>784.68</b>
5	Other comprehensive income (net of tax)	(0.14)	(0.14)	(0.27)	(0.43)	(0.79)	(0.52)
	<b>Total comprehensive income</b>	<b>256.97</b>	<b>225.60</b>	<b>251.50</b>	<b>733.03</b>	<b>616.79</b>	<b>784.16</b>
6	Paid-up equity share capital (Face Value - ₹10/- per share)	624.08	624.08	624.08	624.08	624.08	624.08
7	Reserves (excluding revaluation reserves)						4,018.63
8	Earnings per share (of ₹10/- each) (not annualised):						
	a) Basic in ₹	4.12	3.62	4.03	11.75	9.90	12.57
	b) Diluted in ₹	4.06	3.56	3.97	11.59	9.75	12.41

**SIGNED FOR IDENTIFICATION  
BY**



**S R B C & CO LLP  
MUMBAI**



**Notes**

- 1 The above financial results have been prepared in accordance with Indian Accounting Standards ("IND AS -34 " Interim Financial Reporting") 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, as amended thereafter
- 2 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 12th January, 2019
- 3 The limited review as required under Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 has been completed by the auditors of the Company
- 4 The Company had completed the Initial Public offering (IPO) of fresh issue of 62,541,806 equity shares of ₹ 10 each at an issue price of ₹ 299 per share. The equity shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) w e f 21st March, 2017.  
Use of IPO proceeds is summarised as below

( ₹ Crores, unless otherwise stated)

Particulars	Planned as per prospectus	Utilisation upto 31st December, 2018	Balance as at 31st December, 2018
Towards repayment / payment of NCDs / Term loans	1,080.00	999.00	81.00
Construction and purchase of fit outs for new stores	366.60	282.50	84.10
Towards general corporate purpose (including transaction cost of IPO)	423.40	423.05	0.35
<b>Total</b>	<b>1,870.00</b>	<b>1,704.55</b>	<b>165.45</b>

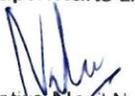
IPO proceeds which remain unutilised as at 31st December, 2018, were invested in deposits with scheduled commercial banks and in monitoring agency accounts.

- 5 The Company has instituted an Avenue Supermarts Limited Employee Stock Option Scheme, 2016 ("the Scheme") as approved by the Board of Directors for issuance of stock option to eligible employee of the Company and of its subsidiaries. Pursuant to the said Scheme, Stock options convertible into 13,973,325 equity shares of ₹ 10/- each were granted to eligible employees at an exercise price of ₹ 299/- being the price at which fresh issue of shares were made in IPO. Out of the total options granted, 1,676,250 options lapsed (31st March, 2018 : 978,750) and 18,000 options were vested (31st March, 2018 : 3,600) till the end of period 31st December, 2018. No options have been exercised as at 31st December, 2018.
- 6 Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach there were no adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results.
- 7 The Company is engaged in the business of retail trades through offline channels. There are no separate reportable segments as per IND AS 108 - Operating Segments.
- 8 Previous year / quarter figures are regrouped and rearranged wherever necessary.

Place: Thane  
Date: 12th January, 2019



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

  
Ignatius Navil Norenha  
CEO & Managing Director

# Avenue Supermarts Limited

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## ANNEXURE B

### Brief Profile of Directors

1. **Mr. Ramesh S. Damani** holds a graduation degree in Commerce from H.R. College of Commerce and Economics from University of Bombay and a post-graduation degree in Business Administration, Marketing from California State University, Northridge. He has over 20 years of experience in securities market. Prior to joining our Company, he founded Ramesh S Damani Finance Private Limited, a stock broking company which was registered with BSE but has subsequently closed the broking business. He is also presently a director on the board of Ramesh S Damani Finance Private Limited. He has been a Director of the Company since 9<sup>th</sup> September, 2009.

Mr. Ramesh S. Damani is not related to any of the Directors of the Company.

2. **Mr. Ramakant Baheti** is a Chartered Accountant from the Institute of Chartered Accountants of India and holds a graduation degree in Commerce from Maharishi Dayanand Saraswati University, Ajmer. He has 21 years of experience in finance. He has been a Director of the Company since 2<sup>nd</sup> January, 2006.

Mr. Ramakant Baheti is not related to any of the Directors of the Company.



# **D\*Mart**

## **AVENUE SUPERMARTS LIMITED**

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**Total Revenue up by 33.2% at Rs. 5,451 Crores**

**PAT up by 2.1% at Rs. 257 Crores**

**For the Quarter ended December 31, 2018 (Q3FY19):**

- Total Revenue stood at Rs. 5,451 crores, y-o-y growth of 33.2%
- EBITDA of Rs. 453 crores; y-o-y growth of 7.5%
- PAT stood at Rs. 257 crores; y-o-y growth of 2.1%
- Basic EPS for Q3FY19 stood at Rs. 4.12 , as compared to Rs. 4.03 for Q3FY18
- 4 stores were added in the Q3FY19

**For the Nine months ended December 31, 2018 (9MFY19):**

- Total Revenue stood at Rs. 14,883 crores, y-o-y growth of 32.9%
- EBITDA of Rs. 1,266 crores; y-o-y growth of 21.4%
- PAT stood at Rs. 733 crores; y-o-y growth of 18.8%
- Basic EPS for 9MFY19 stood at Rs. 11.75 , as compared to Rs. 9.90 for 9MFY18
- 9 stores were added in the 9MFY19

**Mumbai, January 12, 2019:** Avenue Supermarts Ltd. (ASL), one of the largest food & grocery retailers in India, today declared its financial results for the quarter and nine months ended December 31, 2018.

Total Revenue for the quarter ended December 31, 2018 stood at Rs. 5,451 crores, as compared to Rs. 4,094 crores in the same period last year, reflecting a growth of 33.2%

ASL's Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) in Q3FY19 stood at Rs. 453 crores, up by 7.5%. The company's EBITDA margin is at 8.3% in Q3FY19 as compared to 10.3% in Q3FY18.

Net Profit is at Rs. 257 crores for Q3FY19, as compared to Rs. 252 crores in the same period last year. PAT margin is at 4.7% in Q3FY19 as compared to 6.1% in Q3FY18.

Basic Earnings per share (EPS) for Q3FY19 stood at Rs. 4.12 , as compared with Rs. 4.03 for Q3FY18.

Total Revenue for 9MFY19 stood at Rs. 14,883 crores, as compared to Rs. 11,199 crores during 9MFY18, a growth of 32.9%. EBITDA in 9MFY19 stood at Rs. 1,266 crores, up by 21.4%. EBITDA margin is at 8.5% in 9MFY19 as compared to 9.3% in 9MFY18.

Net Profit is at Rs. 733 crores for 9MFY19, as compared to Rs. 618 crores in 9MFY18. PAT margin is at 4.9% in 9MFY19 as compared to 5.5% in 9MFY18.

For 9MFY19, Basic EPS stood at Rs. 11.75 as against Rs. 9.90 in 9MFY18.

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 financial performance of the company **Mr. Neville Noronha, CEO & Managing Director, Avenue Supermarts Limited**, said, "Topline continued to grow well even though PAT growth remained flat vis a vis the corresponding quarter last year, primarily due to Gross Margin reduction on account of price cuts. We constantly strive to give better prices to consumers and our cost leadership allows us to do that. Operating costs inched upwards due to preloading of certain expenses primarily around capability building across infrastructure and people. Good times allow us to invest for the future right now. We also overspent a little to manage the festival season better through longer operating hours. We continue to operate longer hours in certain stores even after the festive period."

**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 an emerging national supermarket chain that offers customers a range of home and personal products under one roof. 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 bed and bath, dairy and frozen, fruits and vegetables, crockery, toys and games, kids apparel, ladies garments, apparel for men, home and personal care, daily essentials, grocery and staples.

The Company opened its first store in Mumbai, Maharashtra in 2002. As of December 31, 2018, the Company had 164 stores with Retail Business Area of 5.3 million sq. ft. across Maharashtra, Gujarat, Daman, Andhra Pradesh, Karnataka, Telangana, Tamil Nadu, Madhya Pradesh, Rajasthan, NCR, Chhattisgarh and Punjab.

**For More Information, Please Contact:**

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Mr. Shahab Sheikh

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