

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

January 25, 2018

To,
BSE Limited
Corporate Relationship 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: Proceedings of the Board Meeting held on January 25, 2018

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 January 25, 2018, inter-alia other matters, has approved the Standalone Un-audited Financial Statement for the quarter and nine months ended on 31st December, 2017 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’.

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 March 14, 2017, in respect of the Initial Public Offering of the Company.

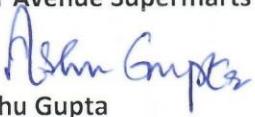
Pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we hereby inform you that the Board of Directors at its meeting held today have approved to further acquire 43,550,363 equity shares of Rs. 10/- each constituting 50.79% of the share capital of Avenue E-Commerce Limited, an Associate Company from other shareholders for total consideration of Rs. 492,119,102/- by executing an Agreement in this regard. Presently, the Company holds 49.21% in the equity share capital of Avenue E-Commerce Limited and with the aforesaid acquisition Avenue E-Commerce Limited shall become a wholly-owned subsidiary of the Company. The required disclosure in this respect is enclosed herewith as ‘Annexure B’.

The said meeting of the Board of Directors commenced at 2.00 P.M. and concluded at 3.50 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

SRBC & CO LLP
Chartered Accountants

14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai-400 028, India
Tel : +91 22 6192 0000
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Limited Review Report

Review Report to
The Board of Directors
Avenue Supermarts Limited

We have reviewed the accompanying statement of unaudited standalone financial results of Avenue Supermarts Limited (the 'Company') for the quarter ended December 31, 2017 and year to date from April 1, 2017 to December 31, 2017 (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.

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 Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 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 of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

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.

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 the applicable Indian Accounting Standards ('Ind AS') specified 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.

The comparative Ind AS financial information of the Company for the previous quarter December 31, 2016, corresponding period ended December 31, 2016 and the Ind AS financial statements of the Company for the year ended March 31, 2017, were reviewed / audited by predecessor auditor who expressed an unmodified opinion on those financial information and financial statements respectively on May 6, 2017, May 6, 2017 and May 6, 2017.

For SRBC & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003


per Vijay Maniar
Partner

Membership No.: 36738

Place of Signature: Mumbai

Date: January 25, 2018



Sr.No.	Particulars	Standalone					
		Quarter ended 31.12.2017 (Unaudited)	Quarter ended 30.09.2017 (Unaudited)	Quarter ended 31.12.2016 (Unaudited)	Nine months ended 31.12.2017 (Unaudited)	Nine months ended 31.12.2016 (Unaudited)	Year ended 31.03.2017 (Audited)
1	Income						
	a) Revenue from operations	409,482.14	350,826.69	333,935.93	1,120,121.91	877,048.31	1,188,111.90
	b) Other income	1,365.73	2,120.92	850.06	5,774.21	2,142.53	3,128.86
	Total income	410,847.87	352,947.61	334,785.99	1,125,896.12	879,190.84	1,191,240.76
2	Expenses						
	a) Purchases of stock-in-trade	318,666.71	326,756.34	277,114.85	949,558.13	759,678.75	1,036,895.42
	b) Change in inventory of stock in trade	23,706.53	(32,531.57)	6,467.26	(8,760.59)	(17,049.17)	(27,295.94)
	c) Employment benefit expense	7,042.10	6,971.44	5,038.44	20,413.95	13,529.06	18,947.32
	d) Finance costs	1,095.91	1,093.66	3,103.76	4,623.41	9,104.22	12,180.39
	e) Depreciation and amortisation expense	3,929.16	3,514.37	3,136.75	10,814.10	9,065.77	12,602.09
	f) Other expenses	17,892.84	17,840.35	16,486.82	54,627.46	45,298.55	63,200.21
	Total expenses	372,333.25	323,644.59	311,347.88	1,031,276.46	819,627.18	1,116,529.49
	Profit before tax	38,514.62	29,303.02	23,438.11	94,619.66	59,563.66	74,711.27
3	Tax expenses						
	Current tax	13,114.92	10,098.88	7,781.39	32,392.99	20,160.83	25,124.37
	Deferred tax charge	273.74	99.33	427.21	518.33	763.97	1,165.20
	Tax in respect of earlier years	(50.39)	2.55	41.61	(47.84)	41.61	157.85
	Net profit after tax	25,176.35	19,102.26	15,187.90	61,756.18	38,597.25	48,263.85
4	Other comprehensive income (net of tax)	(26.30)	(72.15)	-	(78.89)	-	78.24
	Total comprehensive income	25,150.05	19,030.11	15,187.90	61,677.29	38,597.25	48,342.09
5	Paid-up equity share capital (Face Value - ₹10/- per share)	62,408.45	62,408.45	56,154.27	62,408.45	56,154.27	62,408.45
6	Reserves (excluding revaluation reserves)						321,297.88
7	Earnings per share (of ₹10/- each) (not annualised):						
	a) Basic in ₹	4.03	3.06	2.70	9.90	6.87	8.56
	b) Diluted in ₹	3.97	3.02	2.70	9.75	6.87	8.55

Notes

- The above financial results have been prepared in accordance with Indian Accounting Standards (IND AS - 34 "Indian 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.
- 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 January 25, 2018.
- 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 and the related report is being submitted to the concerned stock exchange.
- The Company has 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 were listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) w.e.f. March 21, 2017.

Use of IPO proceeds is summarised as below

Particulars	Planned as per prospectus	Utilisation upto December 31, 2017	Balance as at December 31, 2017
Towards repayment / payment of NCDs / Term loans	108,000.00	86,400.00	21,600.00
Construction and purchase of fit outs for new stores	36,660.00	4,590.78	32,069.22
Towards general corporate purpose (including IPO related expenses)	42,340.00	41,979.80	360.20
Total	187,000.00	132,970.58	54,029.42

IPO proceeds which remain unutilised as at December 31, 2017, were invested in deposits with scheduled commercial banks and in monitoring agency accounts.

- 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, 765,150 options were forfeited (March 31, 2017 - 81,900) and 3,600 options were vested (March 31, 2017 - 2,400) till the end of period December 31, 2017. No options have been exercised as at December 31, 2017.
- Previous period / 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: January 25, 2018



Avenue Supermarts Limited

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Annexure B

Details as per Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in respect of **Acquisition (including Agreement to acquire)**:

Sr. No.	Particulars	Details
1	Name of the target entity, details in brief such as size, turnover etc.	<p>Avenue E-Commerce Limited (hereinafter referred to as "AEL")</p> <p>Paid up equity share capital of AEL is Rs. 857,383,360/- (i.e. 85,738,336 equity shares of Rs. 10/- each) and its turnover for the financial year 2016-17 was Rs. 12,062,841/-</p>
2	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length"	<p>Yes, the said transaction is a Related Party Transaction as AEL is an Associate Company of Avenue Supermarts Limited (hereinafter referred to as "ASL") and some of the promoters of ASL are also Promoters and Shareholders holding 50.79% of the share capital of AEL.</p> <p>The said acquisition is based on Valuation Report obtained from an Independent Valuer-B S R & Associates LLP, Chartered Accountants and the same is at arm's length basis.</p>
3	Industry to which the entity being acquired belongs	Retail Industry (E-commerce)
4	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	Post-acquisition of equity shares by ASL, its shareholding in AEL shall increase from 49.21% to 100%, making it the wholly owned subsidiary of the Company.
5	Brief details of any governmental or regulatory approvals required for the acquisition	No governmental or regulatory approval is required for the said acquisition.
6	Indicative time period for completion of the acquisition	On or before February 15, 2018
7	Nature of consideration - whether cash consideration or share swap and details of the same	Cash consideration
8	Cost of acquisition or the price at which the shares are acquired	The equity shares are acquired at Rs. 11.30/- per share aggregating to Rs. 492,119,102/-
9	Percentage of shareholding/ control acquired and/ or number of shares acquired	Acquisition of 43,550,363 equity shares of Rs. 10/- each constituting 50.79% of the share capital of AEL. Post-acquisition ASL shall hold 100% in AEL.
10	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	<p>AEL was incorporated on 11th November, 2014 and is presently engaged in the business of online retail of food products and groceries in India.</p> <p>It began its operations from December 2016 in some locations of Mumbai and its turnover for the financial year 2016-17 was Rs. 12,062,841/-.</p>

CIN: L51900MH2000PLC126473

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



D Mart

AVENUE SUPERMARTS LIMITED

Total Revenue up by 22.6% at Rs. 4,095 Crore

PAT up by 65.8% at Rs. 252 Crore

For the Quarter ended December 31, 2017 (Q3FY18):

- Total Revenue stood at Rs. 4,095 crore, up by 22.6% y-o-y
- EBITDA of Rs. 422 crore; y-o-y growth of 46.3%
- PAT stood at Rs. 252 crore; y-o-y growth of 65.8%
- Basic EPS for Q3FY18 stood at Rs. 4.03, as compared to Rs. 2.70 for Q3FY17
- 5 stores were added in the Q3FY18

For the Nine months ended December 31, 2017 (9MFY18):

- Total Revenue stood at Rs. 11,201 crore, up by 27.7% y-o-y
- EBITDA of Rs. 1,043 crore; y-o-y growth of 38.0%
- PAT stood at Rs. 618 crore; y-o-y growth of 60.0%
- Basic EPS for 9MFY18 stood at Rs. 9.90, as compared to Rs. 6.87 for 9MFY17
- 10 stores were added in the 9MFY18

Mumbai, January 25, 2018: 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, 2017.

Total Revenue for the quarter ended December 31, 2017 stood at Rs. 4,095 crore, as compared to Rs. 3,339 crore in the same period last year. ASL's Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) in Q3FY18 stood at Rs. 422 crore, as compare to Rs.

288 crore in the corresponding quarter of last year. The company's EBITDA margin improved from 8.6% in Q3FY17 to 10.3% in Q3FY18.

The Company reported Net Profit of Rs. 252 crore for Q3FY18, as compared to Rs. 152 crore in the corresponding quarter of last year. The company's PAT margin improved from 4.5% in Q3FY17 to 6.1% in Q3FY18.

Basic Earnings per share (EPS) for Q3FY18 stood at Rs. 4.03, as compared with Rs. 2.70 for Q3FY17.

Total Revenue for nine months ended December 31, 2017 stood at Rs. 11,201 crore, as compared to Rs. 8,770 crore in the same period last year. ASL's EBITDA in 9MFY18 stood at Rs. 1,043 crore, as compared to Rs. 756 crore during 9MFY17. The company's EBITDA margin improved from 8.6% in 9MFY17 to 9.3% in 9MFY18.

For nine months ended December 31, 2017 ASL's net profit grew by 60% to Rs. 618 crore, as compared to Rs. 386 crore for the same period last year. The company's PAT margin improved from 4.4% in 9MFY17 to 5.5% in 9MFY18.

For 9MFY18, Basic EPS stood at Rs. 9.90 as against Rs. 6.87 in 9MFY17.

The Board has approved in its meeting held today the acquisition of 50.79% paid-up share capital of Avenue E-Commerce Limited, an associate company of Avenue Supermarts Limited. Post completion of this acquisition, Avenue E-Commerce Limited shall become a wholly owned subsidiary of Avenue Supermarts Limited.

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, "Gross Margin increase is due to improvement in sales mix and efficiency of centralised procurement. Growth in this quarter appears to be lower as compared to previous year quarter because of demonetisation base effect. Growth in December 16 quarter was significantly higher than the growth of FY 16-17. Speed of opening new stores has to improve. There is an opportunity to do better there."

About Avenue Supermarts Limited: (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. Each D-Mart store stocks home utility products, including food, toiletries, beauty products, garments, kitchenware, bed and bath linen, home appliances and others. 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, 2017, the Company had 141 stores with Retail Business Area of 4.4 million sq. ft. across Maharashtra, Gujarat, Andhra Pradesh, Karnataka, Telangana, Tamil Nadu, Madhya Pradesh, Rajasthan, NCR, Chhattisgarh and Punjab.

For More Information, Please Contact:

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Ms Ruchi Bhadra

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