

D-Mart Parent Avenue Supermarts Accelerates Ambitious Store Expansion



Avenue Supermarts, the parent company of the popular D-Mart retail chain, is set to significantly ramp up its store expansion efforts across India, with a particular focus on the northern regions. This aggressive growth strategy aims to double the company's store count and investments, signaling a strong commitment to expanding its retail footprint and strengthening its market position amidst evolving competitive dynamics.

The company recently announced the opening of a new store in Pathankot, Punjab, bringing its total store count to 426 as of July 29, 2025. This addition aligns with D-Mart's cluster-based expansion approach, solidifying its presence in states like Punjab, where it now operates 19 stores. For the fiscal year ending March 2025 (FY25), Avenue Supermarts added 50 new stores, surpassing its previous year's additions and analysts' estimates. The company closed FY25 with 415 stores, and with 9 new stores added in Q1 FY26 alone (ending June 30, 2025), the pace of expansion is visibly accelerating.

Neville Noronha, CEO & MD of Avenue Supermarts, who is set to step down in January 2026, emphasized the importance of this accelerated growth, stating, "If there was anything I could have done better during my tenure, it would have been increasing the number of stores. We should have been at 600-650 stores by now." He will personally oversee the northern India expansion for six months before his term concludes. This strategic focus on the northern markets, particularly Uttar Pradesh, is driven by the significant growth opportunities presented by these populous states.

D-Mart's expansion is underpinned by its unique business model, which emphasizes Everyday Low Prices (EDLP) and a preference for owning rather than leasing its store properties. While this ownership model leads to higher upfront capital expenditures, it provides long-term cost control and better margins. The company's capital expenditures for FY25 stood at ₹34.23 billion. New stores are expected to be approximately 40,000 square feet, focusing on improving the in-store experience and ensuring high fill rates.

Despite the ambitious expansion, Avenue Supermarts acknowledges rising real estate prices across India as a challenge in identifying viable new locations. The company also clarified its stance on quick commerce, reaffirming its focus on value-driven, three-to-six-hour deliveries through its online platform, D-Mart Ready, rather than entering the rapid 30-minute delivery segment. While D-Mart Ready has seen losses grow alongside its expansion, the company aims for profitability in this segment in the coming years. This aggressive push into new geographies, particularly in the north, signals D-Mart's determination to capture a larger share of the Indian retail market and sustain its long-term growth trajectory.