

AVENUE SUPERMARTS LIMITED

TRANSCRIPT OF THE 23RD ANNUAL GENERAL MEETING

Day : Thursday
Date : 10th August, 2023
Time : 11.00 A.M IST to 12.03 P.M. IST
Venue : Through Video-conferencing

CORPORATE PARTICIPANTS:

Directors and Key Managerial Personnel:

Mr. Ramesh Damani

Chairman and Independent Director

Mr. Chandrashekhhar Bhawe

Independent Director

Ms. Kalpana Unadkat

Independent Director

Mr. Ignatius Navil Noronha

Managing Director and CEO

Mr. Ramakant Baheti

Whole-time Director and Group CFO

Mrs. Manjri Chandak

Non-executive Director

Mr. Elvin Machado

Whole-time Director

Mr. Niladri Deb

Chief Financial Officer

Mrs. Ashu Gupta

Company Secretary

AVENUE SUPERMARTS LIMITED
23rd ANNUAL GENERAL MEETING

Ms. Ashu Gupta – Company Secretary, Avenue Supermarts Limited:

Dear Shareholders,

Good morning to all of you! On behalf of Avenue Supermarts Limited, I, Ashu Gupta – Company Secretary of your company welcome you all to the 23rd Annual General Meeting of Avenue Supermarts Limited.

Before we commence, I would like to inform you that this Annual General Meeting is being held through Video conferencing in accordance with the General Circulars issued by the Ministry of Corporate Affairs and Securities Exchange Board of India from time to time. The two-way teleconferencing Webex facility is being made available to the shareholders to attend this Annual General Meeting of the company on a first-come, first-served basis. The members attending the meeting through video conferencing shall be counted for the purpose of quorum. Since this AGM is being held through video conferencing, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members is not available for the AGM and hence, the inspection of the Proxy Register is also not applicable.

The company has received requests from few members to speak in this AGM. The floor will be open for the members to ask questions or express their views. The company reserves the right to limit the number of speakers depending on the availability of time for the AGM. All the members joining this meeting are by default placed on Mute mode to avoid any background noise and to ensure smooth and seamless conduct of this meeting. During the Question-Answer session, the moderator will announce the names of registered speaker shareholders. Speaker shareholders will thereafter be unmuted by the host of the meeting and will be allowed to express their views or ask questions. Each speaker will be given 3 minutes, and I request you all to adhere to this time limit. Members facing any technical issue are requested to call the helpline number of NSDL as mentioned in the notice of the AGM.

Members may note that, since the AGM is held through video conferencing, the resolutions mentioned in the notice convening this AGM have already been put to vote through remote e-voting. And, as the facility of e-voting is also available at the AGM, there will be no proposing or seconding of the resolutions. Members who have not yet cast their vote by remote e-voting, can exercise their voting rights at the AGM through e-voting by following instructions as mentioned in the notice of the AGM for remote e-voting. The members can vote at the AGM through e-voting from commencement of this AGM till 15 minutes after conclusion of this AGM.

I now request our Chairman – Mr. Ramesh Damani, to take over the proceedings of the meeting. Thank you and over to you Sir.

Mr. Ramesh S Damani – Chairman, Avenue Supermarts Limited:

Thank you so much Ashu.

Good Morning to all of you!

On behalf of the Board of Directors, I, Ramesh Damani - Chairman of the Board, welcome you to the 23rd Annual General Meeting of Avenue Supermarts Limited. I am joining this meeting from our corporate office at Thane. I am informed that the requisite quorum for the meeting is present,

AVENUE SUPERMARTS LIMITED
23rd ANNUAL GENERAL MEETING

and accordingly, I hereby call the meeting to order. Participation of members through video conferencing has been reckoned as quorum in accordance with the circulars mentioned earlier and as per Section 103 of the Company's Act, 2013. The statutory registers are available electronically for inspection by the members who are desirous to have an inspection at the AGM. Members seeking to inspect such documents can send the request to investorrelations@dmartindia.com from their registered email address.

Before I begin my address, let me extend a warm welcome to our Board members who have also joined the meeting. I now request the Board members to introduce themselves. First of all, Mr.Chandrashekhar Bhave.

Mr. Chandrashekhar Bhave - Independent Director - Avenue Supermarts Limited:

Hello. Good Morning everybody. I am Chandrashekhar Bhave. I am joining this AGM of Avenue Supermarts Limited from Bangalore, from my residence. I am an Independent Director on the Board of Avenue Supermarts Limited, and I chair the Audit Committee, the Nomination and Remuneration Committee, and the Corporate Social Responsibility Committee of the Company. Thank you.

Mr. Ramesh S Damani – Chairman, Avenue Supermarts Limited:

Thank you Mr. Bhave. May I request Ms. Kalpana Unadkat to introduce herself.

Ms. Kalpana Unadkat – Independent Director - Avenue Supermarts Limited:

Thank you Ramesh bhai. Good Morning everyone. I am Kalpana Unadkat, an Independent Director of the company. I am joining this meeting from Mumbai. Thank you.

Mr. Ramesh S Damani – Chairman, Avenue Supermarts Limited:

Thank you Kalpana. May I request our CEO – Navil Noronha to introduce himself.

Mr. Ignatius Navil Noronha – MD & CEO, Avenue Supermarts Limited:

Good Morning everyone. My name is Ignatius Navil Noronha. I am the Managing Director & CEO of your company. I am also Chairman of the Risk Management Committee of your company. I am joining this meeting from the Corporate Office of the company in Thane.

Mr. Ramesh S Damani – Chairman, Avenue Supermarts Limited:

Thank you Navil. To his right, I request Mr. Ramakant Baheti to introduce himself.

Mr. Ramakant Baheti – Whole-time Director - Avenue Supermarts Limited:

Good Morning everyone. I am Ramakant Baheti, Whole-time Director and Group CFO of the company. I am participating in this meeting from our Corporate Office in Thane.

AVENUE SUPERMARTS LIMITED
23rd ANNUAL GENERAL MEETING

Mr. Ramesh S Damani – Chairman, Avenue Supermarts Limited:

Thank you Ramakant ji. May I request Ms. Manjri Chandak who joins us by video call, to introduce herself.

Mrs. Manjri Chandak – Non-Executive Director - Avenue Supermarts Limited:

Good morning. I am Manjri Chandak. I am the Non-Executive Director of your company. I also chair the Stakeholder Relationship Committee. I am attending this meeting from Mumbai. Thank you.

Mr. Ramesh S Damani – Chairman, Avenue Supermarts Limited:

Thank you so much Manjri. To my left, may I request Mr. Elvin Machado to introduce himself.

Mr. Elvin Machado – Whole-time Director - Avenue Supermarts Limited:

Good Morning everyone. I am Elvin Machado. I am the Whole-time Director of your company. I am participating at this meeting from the company headquarters at Thane.

Mr. Ramesh S Damani – Chairman, Avenue Supermarts Limited:

Thank you Elvin. From the Management team, behind me is Mr. Niladri Deb – CFO and Mr. Rushabh Ghiya – Investor Relations Officer, they are also attending this meeting from our Corporate office in Thane. The Chairman of the Audit Committee, Nomination and Remuneration Committee and the Stakeholders' Relationship Committee are present at the AGM. We also have with us Mr. Vikram Mehta - Partner S R B C & CO LLP, Statutory Auditors of the company and Mr. Himanshu S. Kamdar - Partner M/s Rathi & Associates, Secretarial Auditors and Scrutinisers for e-voting, attending this meeting through video conferencing.

With your permission, I will make a few brief remarks.

Dear Shareholders,

As I reflect over the last 2 years, the word that resonates most with me is - change. The outbreak of the pandemic led to several challenges. As a company, we seized several opportunities in the evolving new normal. The only constant was our unwavering focus on continuously delivering our value proposition to our customers. During the financial year, we continued to deliver growth across our various key financial metrics, which reaffirmed my belief in our strategy and execution capabilities. This would not have been possible without the dedication and determination of our greatest asset, our people.

The global macro headwinds notwithstanding, India continues to remain a bright spot. In comparison to other subcontinent countries, India has remained resilient from geopolitical and other disruptions. In fact, India is expected to be one of the fastest growing major economies in the world. This resilience stems from structural strengths of the economy, bolstered by supportive government policies, a stable political and economic environment and robust private consumption.

At DMart, our growth in the organised retail segment continues, driven by steady expansion in our store network, and reasonable growth across financial and operational parameters. We expanded our store presence and successfully opened 40 new stores during FY22-23. Since FY 2017-18 we

AVENUE SUPERMARTS LIMITED
23rd ANNUAL GENERAL MEETING

have more than doubled our store count to 324 despite the outbreak of the pandemic in 2020. Our strong belief in our business model and focused execution has driven this steady growth. We firmly remain committed to India's long-term consumption story. Our cluster-based expansion strategy and gradual penetration into large and small towns, continue to be our guiding light. As we continue to expand and evolve, we remain aware of our obligations to society and environment, and we are dedicated to fulfilling this responsibility with an unwavering commitment and utmost sincerity.

We remain steadfast in making a meaningful impact on the environment. We continue to pursue a green building certification for our buildings, and invested in several eco-friendly practices in the areas of energy efficiency, water conservation, use of sustainable building materials, among others. As part of our CSR commitments, we continue directing our support to public education system. Our program supported students from 10 Municipal Corporations and 2 Zilla Parishads. We cover more than 300 Government/ Municipal and Zilla Parishad Schools i.e. Public Schools across cities and towns, positively impacting more than 128,000 students. Our support also continues to several reputed external institutions which are running impactful programs to support the economically and socially disadvantaged in the areas of education, environment and nutrition.

I would like to extend my heartfelt gratitude to all our shareholders for their continued trust in DMart and our core values. To our employees, I extend my appreciation for their relentless focus, passion and dedication in enabling us to serve our customers during good times and tough. I remain confident about India's long-term growth potential, as well as in our ability to scale and to serve millions of Indians with our value proposition. I request your continued support in this journey. Thank you so much.

I conclude my speech with that, and now we will carry on with the business of the meeting.

The notice convening the 23rd AGM, along with the Annual Report for the financial year ended 31st March 2023 consisting of financial statements including the Board's Report and Auditor's Report, have been sent only to those members whose email ids are registered with the company or the registrar and share transfer agents or the depository participants through electronic means. The notice has also been posted on the website of the company. With your permission, I will take the notice of the AGM as read.

The company has presented the standalone and the consolidated financial statements of the company for the financial year ending 31st March 2023 as per the requirements under the Company's Act 2013. The Auditor's Report on the standalone and the consolidated financial statements does not have any qualifications, observations or comment on financial transactions or matters which have had any adverse effect on the functioning of the company. With your permission, I will also take the Auditor's Report as read.

I now invite the shareholders to express their views or ask questions pertaining to the performance of the company during the year under review or the resolutions placed for approval of members. The shareholders are requested to please be brief and avoid repetition. Shareholders are also requested to express views and raise queries pertaining specifically to the Annual Report for the financial year 2022-23 and the business matters for today's meeting. The shareholders who have sent their queries on the email id of the company provided in the notice of the meeting, shall be answered during the meeting. As regards any personal grievances or queries, shareholders are

AVENUE SUPERMARTS LIMITED
23rd ANNUAL GENERAL MEETING

requested to write directly to the Company Secretary or the registrar and transfer agents to enable prompt and appropriate response. Now, I shall invite the shareholders who have registered themselves as speakers, to express their views and ask questions and give suggestions. May I ask the moderator to announce the names?

Moderator:

Thank you so much Sir. The first on the list of our registered speaker shareholders, we have with us Ms. Mamta Vinay Mimani. But unfortunately, for some reason, she couldn't join this meeting. So, going ahead with the next person on the list, we have with us Mr. Kaushik Shahukar. Mr.Kaushik, you have been unmuted. Can we have your video for the question please?

Mr. Kaushik Shahukar – Shareholder:

Good morning to all. I am honoured to have the opportunity to address you all today. I would like to express my gratitude to the Board of directors for allowing me this chance once again. First off, I salute the Board of directors for conducting VC mode of meeting, thereby allowing opportunity to pan India shareholders. Sir, I request you to continue the trend. I am a satisfied shareholder of our company, and I must commend the management for their remarkable efforts in creating wealth for the shareholders. However, I'd like to raise a couple of concerns.

My primary concern pertains to the utilisation of savings on account of virtual mode of meeting. Will you [No audio] and allocate a portion of these funds to the welfare of the society, more particularly, among shareholders who actively participate in the AGM as speakers? Considering their valuable contribution and active involvement in the meeting, it would be a gesture of recognition and appreciation to distribute a small memento among them on the occasion on important festivals. Next, can you provide the expenses on account of the virtual mode of meeting and on account of physical mode of meeting? I humbly request the Board to consider my proposal and explore the possibility of implementing the gesture of gratitude and appreciation. By doing so, I firmly believe that it will improve the personal rapport between the company and stakeholders, and contribute to the overall wellbeing of the company, corporate family.

My next concern is, what strategy is DMart implementing to maintain or improve its profit margins? Can you elaborate on the company's approach to managing working capital and inventory levels? What are DMart's plans for expansion into new locations or markets? Can you provide update on the progress of new store openings and the company's approach to selecting strategic locations? How does DMart balance its growth plans with maintaining operational efficiency?

My final concern is, that the company has been hesitant in supporting individuals in need, including myself. I have shared my credentials in the past and followed up consistently but have not been considered. Should not helping a disabled person be part of your CSR activity? Then, why is the company hesitant in supporting me? I appeal for support in certification work, including form 15CB. Your assistance would mean a lot to me. If I can't get help from a reputable company like DMart, then whom should I turn to? I'm resending my credentials after the AGM for your consideration and [No audio] consideration for your help and support. I want to clarify that I'm not seeking handouts or free money or sympathy. I value my independence and self-reliance. I'm a Chartered Accountant, and I hope you can understand and respect my desire to maintain my independence. Thank you so much.

AVENUE SUPERMARTS LIMITED
23rd ANNUAL GENERAL MEETING

Moderator:

Thank you so much Sir. The next person on the list who has registered as speaker shareholder, we have with us, Ms. Lekha Satish Shah, but she couldn't join this meeting. She is followed by Ms.Hutokshi Sam Patel, who too is not here right now. Going ahead, we were supposed to have Mr.Yusuf Rangwala, but he is not here today. Followed by Ms. Prakashini Shenoy. Unfortunately, she hasn't made it to the attendees' list yet. Our next registered speaker shareholder is Mr. Suresh Jain, who is amongst the attendees.

Mr. Suresh Jain – Shareholder:

Respected Chairman, Board of directors and my fellow shareholders, I'm Suresh Chand Jain, and I'm speaking from Hyderabad. I'd filled 10 forms for this company, I got 5 forms. Thank you so much for helping me to become a shareholder of your company. I'm happy with the rate of the shares, and I thank you and your team for your hard work, whose benefits we shareholders are reaping today. I thank the Chairman for giving us a run down about the company in such simple and clear words. We speaker shareholders would be even more happy if you were to send us some gift coupons or a box of dry fruits; it would be a cherry on the cake. Please try to send us speaker shareholders something. Thank you for giving me a chance to speak today. I pray to God for your progress. Thank you Sir.

Moderator:

Thank you so much for your question. Going ahead, we have with us Ms. Smita Shah.

Ms. Smita Shah – Shareholder:

Respected Chairman - Shri. Ramesh Damani, MD & CEO - Mr. Ignatius and other directors present, I'm Smita Shah from Mumbai. I thank the Company Secretary – Ashu Gupta and her team for sending me the physical Annual Report as per my request. The balance sheet is informative attractive, transparent and prepared with good quality, and you also sent it before time. So thank you for that too and the very good investor service. Mr. Damani, what do I say? You've had such a jump in the market. Your revenue from operations, EBITDA, turnover, inventory turnover, profit after tax, everything is soaring. With your excellent performance, you've made us shareholders proud too and have increased our share value for us. Mr. Chairman, the company is progressing under your leadership and the path set out by our founder Mr. Radhakishan. Since we are in the holy month, his name Radhakishan is very auspicious. This is also because of the help from our Board. Sir, whenever I visit the DMart store, I notice the hard work of the staff at the store. I thank them for the excellent service they provide right from morning to day end. Because of the hard work of all the staff, the company has reached where it is today. They say, patience always pays off, but hard work pays off even more, which is evident in DMart. The confident and smiling photo of yours in our balance sheet, assures us of a bright future for DMart. May you always keep smiling and be dear to us. And Sir, I would like to praise [No audio]. All the praises that we have for you will fall short. Sir, you did not give us any dividend neither any bonus. But Sir, after 2 years you will be celebrating silver jubilee. I would like to ask, if you are planning to do something exciting. Have you started thinking on those terms now? Are you going to surprise the shareholders? Please plan something really good within 2 years. Think of a bonus or a get together or something that you think is right. And Sir, we are hopeful of you. Chairman Sir, my best wishes were always with you

AVENUE SUPERMARTS LIMITED
23rd ANNUAL GENERAL MEETING

and it continues to remain with you. May our DMart Company grow in leaps and bounds. My God bless you with good health and wealth.

Sir, we have always supported you. I have been a shareholder since the time of issue and so I have faith in you. I can see a good future for our company. As always, today too, I support all the resolutions. And Sir, request you to consider for a physical AGM from the next year onwards. All of us haven't met for the last 4 years and it is important to meet at least once a year. Attending meeting through VC is like looking at the images of the people. There is a huge difference between meeting physically and meeting through VC. You can also have a hybrid AGM so that those who cannot attend the physical AGM may continue to attend the AGM. But please decide on having a physical AGM next year onwards. I wish that for the next year AGM we will all be able to meet you face-to-face. I pray that you always stay in good health. Advance wishes for all the upcoming festivals and assuring you my full support. Thank you Sir.

Sir, Bharat ji has also conveyed his best wishes to you. He doesn't want to take up your time. Thank you once again.

Mr. Ramesh S Damani – Chairman, Avenue Supermarts Limited:

Thank you.

Moderator:

Thank you so much for your good wishes towards the company and the people. Thank you so much. So these were Ms. Smita Shah and Bharat Shah jointly on the call. Next we were supposed to have Mr. Satish Shah but he couldn't join this meeting. Also, we were supposed to have Mr.K Sadananda Sastry and Mr. Anil Parekh. They both couldn't make it to this meeting. So, going ahead with the next person we have here, that is Mr. Arjun Vadher.

Mr. Arjun Vader – Shareholder:

Thank you Sir for giving me this opportunity to speak. It is good to know that the company is opening stores on the same day and are also providing updates [No audio]. Sir in the upcoming financial years, that is, 2023-2024 and 2024-2025 how many stores is the company planning to open. I would like to know about that. Thank you.

Mr. Ramesh S Damani – Chairman, Avenue Supermarts Limited:

Thank you.

AVENUE SUPERMARTS LIMITED
23rd ANNUAL GENERAL MEETING

Moderator:

Thank you so much, Mr. Arjun. Going ahead with the next person on the list we have with us Ms.Swarn Lata.

Ms. Swarn Lata – Shareholder:

Good morning, Chairman Sir, Board of Directors and the shareholders present in the meeting. Thank you for your speech, Chairman Sir. I have few questions. Sir, on page no. 201 of the annual report there is an amount of Rs. 387 crores as shown under other expenses. Sir what are these expenses? Because on the same note, expenses of even Rs 1 crores are given but no details are given for Rs. 387 crores. Please elaborate on this amount as it is not a small amount. And second, I want to know that everything is given on the content page of the annual report but the figures related to the shareholders, that is the amount of dividend is missing. So please take care of small investors like me. And at last, I want to thank the company secretary and the secretarial department for allowing me to express my views in front of the management. Thank you.

Moderator:

Thank you so much. Going ahead, we were supposed to have Mr. Rajendra Jamnadas Sheth with us but for some reasons he couldn't join this meeting. So, going ahead with the next person on the list we have with us Mr. Ashok Kumar Jain.

Mr. Ashok Kumar Jain – Shareholder:

Good morning, Chairman Sir, Board of Directors and my co-fellow shareholders. I, Ashok Kumar Jain join the AGM from Delhi. First of all, I congratulate the management and the staff for providing excellent result during the financial year 2022-2023 and opening new 40 stores. Sir, I also thank the secretarial department for helping me join the AGM on VC portal from far away. Sir, I query that there is no dividend. What is the reason the company not thinking about the shareholders? Because most of the shareholders who join regularly have not joined the AGM. What is the reason? Are they are not interested in the...are they not satisfied with the management decisions? What's the reason? And my next query is that the company has opened new stores does the company plan to issue e-portal? The sales can be increased through the online system, Sir. Nowadays, people purchase more online

What is the future strategy of the company on those terms? Please to throw some light on it. What are the expansion plans of the company? What is the CapEx plan? Please throw some light on it because the company is not providing us with dividend and the company is reinvesting the money. Request you to think about the returns for the small shareholders too or else issue some coupons to them so that they can go to the store and see what is there in our stores. They will also get an opportunity to go and purchase. Thank you Sir.

AVENUE SUPERMARTS LIMITED
23rd ANNUAL GENERAL MEETING

Mr. Ramesh S Damani – Chairman, Avenue Supermarts Limited:

Thank you.

Moderator:

Thank you so much, Sir. Going ahead with the next people according to the list of registered speaker shareholders, we were supposed to have Mr. Gaurav Rozatkar, Ms. Sandhya Kejriwal, Mr. Amar Patil and Mr. Kirti Shah. All of these speaker shareholders registered though did not join this meeting. So going ahead with the next person who is here is Mr. Arun Kumar.

Mr. Arun Kumar – Shareholder:

This is Arun from Bangalore. I have three set of questions to the management. One, DMart Ready has been there on the system for about 6 to 7 years. But still we do not see any profitability in the near future. So what is the management's view in terms of DMart Ready being profitable and when this can be expected? My second query is that, I'm a shareholder plus an active user of DMart Ready in terms of online delivery, I'm surprised to see that there are a lot of restrictions in accessing, a lot of times the items are not available. If they're available, there's a restriction on the number of items that I can purchase online. And though you charge Rs. 49 or Rs. 50 per delivery, still we report a loss in terms of the entire operations. There are many competitors who are offering for free, we are delivering with charges. So what is the break even or when this restriction on the items to increase the sales can be done.

And the items in the shopping cart are getting disappeared as and when I add it. So can we ensure that there is enough inventory in the system for DMart Ready as in the physical store? My last question is in terms of overall company operating profit margin. We have been hovering around 7-7.5% in the last 2-3 years. Yes, there was COVID. But is there any mechanism that we can increase the operating profit margin because our top line has been excellent. Our bottom line truly relies on the OPM. So what are the measures or what are the steps that will be taken by the management to increase the OPM? So, these are my set of questions. Thank you for this opportunity to everyone. Thank you.

Moderator:

Thank you so much for your question, Sir. Now we would like to call out the names who were already called out before. But the time when they were called out they were not present in the meeting. So calling again Mr. Yusuf Rangwala.

Mr. Yusuf Rangwala – Shareholder:

Chairman Sir, today there were so many meetings. Why have you kept it in the last moment? Why did you keep it on the 10th of August? What is the reason? Today there are 10 other meetings that is why people have not joined. Today there are 10 annual general meetings. Why did you decide to have the AGM on 10th of August, Sir? I would like to know. Is today a good day, Sir? Sir what is the total number of stores at present? Sir our company's shareholder department is unmatched. And Sir, what about you? There are no words to describe you. Sir, you are like the shining sun. The

AVENUE SUPERMARTS LIMITED
23rd ANNUAL GENERAL MEETING

brightness never dies. You have a very hardworking shareholder department and secretarial team. I am very lucky. Sir, please give us shareholders some discount coupon of 20%. What happens with this is, we all will purchase from your store only. This will be helpful Sir. Sir, Reliance gives us 10% discount. You also think on similar lines. This will be helpful for our business.

Also, can you tell me what the total number of stores at present are? What is your plan for 15th of August? In the next 2-3 days, we will be celebrating our Independence Day. What is DMart planning for that? You usually provide people with discount. Similarly if you can also provide us shareholders with some discount coupons so that we can also enjoy the benefits. I would like to present a couplet for you, Sir. *'Suraj chamkta rahe roshni, Phoolon ki khushboo kaliyon ke bahaar'*. I support all the resolutions. And I thank you all very much. I wish you all a very Happy Independence Day. This is Yusuf Rangwala, signing in from Mumbai. Thank you very much, Sir.

I am very thankful to our company share department. It is because of their efforts that I am able to meet with you today. Today there are meetings of so many other companies, but I did not attend any of it. When I saw your name on the list, I was really happy at the thought of meeting you. Next year, I hope you will consider for a physical meeting at Nehru Centre. Thank you Sir. Jai Hind Sir and I end my speech.

Mr. Ramesh S Damani – Chairman, Avenue Supermarts Limited:

Thank you.

Moderator:

Thank you so much Mr. Yusuf. Going ahead, we have Ms. Prakashini Shenoy.

Ms. Prakashini Shenoy – Shareholder:

I am Prakashini Ganesha Shenoy from Bombay. Respected honourable Chairman, other dignitaries on the Board and my fellow shareholders, Good morning to all of you. I received the annual report well in time which is colourful, transparent, informative and contains all the information as per the corporate governance. I thank the company secretary and her team for the same. I should not forget to thank them once again for reminding me of today's meeting along with the link. Thank you, Company Secretary, once again. The Chairman has given a beautiful picture regarding the company in all parameters. I'm glad to note that the company is doing better performance during the year when compared to the last year. Congratulations Sir.

Sir, I have just one question. How are we planning to increase revenue in future? Last but not the least, Chairman Sir, one earnest request to you is please continue with VC so that people all over the world will have an opportunity to express their thoughts. I wish the company good luck for a bright future and pray God that the profit of the company shall reach the peak in due course. Sir, I strongly and wholeheartedly support all the resolutions put forth in today's meeting. Thank you, Sir.

AVENUE SUPERMARTS LIMITED
23rd ANNUAL GENERAL MEETING

Mr. Ramesh S Damani – Chairman, Avenue Supermarts Limited:

Thank you.

Moderator:

Thank you so much, Ma'am. So, this brings us to the end of all the questions from the registered speaker shareholders. I believe all the questions have been registered. We can go over to Chairman Sir and the Board members for the answers to the same. Thank you so much.

Mr. Ramesh S Damani – Chairman, Avenue Supermarts Limited:

First, I thank all the speakers for taking the time and sharing their questions with us. We do appreciate that as a part of shareholder democracy.

May I now request our CEO, Mr. Navil Noronha - Managing Director and CEO of the Company to respond to the questions raised by the various speaker shareholders? Navil, over to you.

Mr. Ignatius Navil Noronha – MD & CEO, Avenue Supermarts Limited:

Thank you, Sir. Thank you so much. Good morning again. In the order of questions asked, I will respond to them. But I will like to call out Mr. Kaushik Shahukar's specific query on assistance and his communication with us. I would like to assure him that I will look into it personally and see what we can do basis his request that he has put forward for us. Then there have been multiple questions around gift coupons. The Companies Act does not permit us to issue any gift coupons. On specifics about what the company can offer, I think one good thing we have is we have retail stores and we are known for our discounts. So, I welcome every shareholder who has spoken today to go and visit our stores. And like somebody asked about 15th of August, this period is actually a very nice period to do a little bit of more shopping because the quantum of discounts are much more. So please go ahead and visit our stores and enjoy all the discounts that you would be wanting or expecting.

On specific questions on dividend, this has been a question that has been asked every year and every year our response has been the same that we are in a very good space for growth and we are utilizing all our internal profits to add more stores. This in the long term is very beneficial because the net return on that investment we believe is significantly better if it is reinvested in the business, and hence we would like to retain income to invest in the future. But as and when the opportunity arises, the Board will contemplate, evaluate and appropriate decisions will be taken on that specific aspect. Somebody also asked about new stores in the current year and the next year. As has been the policy of the Company, we do not give very specific guidance on how many stores we will add. However, our endeavour is always to be better than what we have done in the past or at least maintain what we have done in the past. So we continue that position, that we'll try to do better and better every year and the best way to look at it is take a judgment basis what we have done in the past. It is management's endeavour to be better than what we have been in the past and that will be the philosophy and ethos on which we operate the business.

AVENUE SUPERMARTS LIMITED
23rd ANNUAL GENERAL MEETING

Then there was a question on miscellaneous expenses of page 201. This is a combination of primarily three large heads. One is the bank credit card commission charge that you pay to the credit card company or the banks. Then there's also a lot of repair and maintenance that happens in all our stores. We have 324 stores. A lot of repair and maintenance happens. And also, advertisement. While we don't advertise too much, but we do some bit of advertisement. So bulk of this miscellaneous expenditure is a combination of these three elements. Then, there was a question on strategy on online. So, we have spoken about this multiple times. Our view is that for our model we will first address the very large cities and we have launched DMart Ready from that perspective. We offer similar products or the same products, mostly grocery FMCG products in large towns and see how the model works. We are new to this relatively, but we are understanding this business better over time and we are relatively more confident about the online business now than we were in the past. In fact every year, our confidence level on this business is getting better and we think that we have a good role to play in the online business. What is interestingly coming out is that, there is a larger ecosystem of shoppers who like DMart, who like the brand DMart, who want products of DMart, and probably there is a little bit of hesitancy to go to the store regularly. This is a very sweet spot for us and we are addressing that, but obviously in our own way, which sometimes is perceived to be a little slow. But we would like to do it in a more measured manner.

Then the question was also on DMart Ready's profitability. I think having conversations around profitability for DMart Ready is a little bit premature. Our view is that how do we ensure that we lose as little money as possible. We can't have a view on when this business will be profitable for primarily two reasons. The margins that we make are not commensurate to the cost of operating the business yet. So we have to get significantly more scale and something in the gross margin structure has to change. On the operating cost, we are fairly confident. We know to what extent the business will cost to run. But I think gross margins have to go up and we have to get scale. Then, somebody also had a few complaints on the DMart Ready model. It is bittersweet feedback and we take it on the chin. We know we have to get better but it is also because of the consistently excessive demand. Like, in cities like Mumbai actually we can have significantly more service locations; significantly more touch points of service. So, the demand is significantly more than what we can supply and hence, you are facing these issues of sometimes items not available or items disappear from the cart as you are shopping. But we are trying our best to expand our facilities and we take your feedback. On charges for delivery if you have noticed, we have gradually reduced our charges for delivery from the time we started our business from 3% of value to INR 99, INR 79, and now INR 49. So we are cognizant of the feedback that we get from all customers and basis that we calibrate the decision for the business.

Then somebody also asked a question on what are the measures we are taking to enhance operating margins. I think from a financial metric, on any element of financial metric, I think we are in a good spot and while we have our eyes on the business, we have our eyes on the financial metrics of the business, I think what is more important for us is the larger aspects of the business like, do we have the appropriate talent to run the business, are they focused on the business, are we building appropriate talent for the future? I think those are larger points that we look at and I think that is more critical to think about. From the current operating standpoint, I think we are there and again I repeat the same point that gross margins are something that is sacrosanct. We don't want to earn more than 15% and below that whatever happens is a factor of market forces. So, PAT could be anything basis how efficiently we run the business and how intense the

AVENUE SUPERMARTS LIMITED
23rd ANNUAL GENERAL MEETING

competitive context is. But from an operating margin standpoint, I think we are in a reasonably good spot. We have to just focus on addressing other aspects or keeping a look on the other aspects of the business, and this is primarily because we have to grow. This country is a very large country, is offering a very large opportunity. I think we have to seize the moment or take advantage of that opportunity and hence, the single-minded focus is how do we add more and more stores.

Somebody asked how many stores do we have? We have as of end of March 2023, 324 stores. I think with that I've covered everything. Thank you so much Sir for giving me the time.

Mr. Ramesh S Damani – Chairman, Avenue Supermarkets Limited:

Thank you Navil for your clear and concise answers. I now wish to draw attention to all members participating in the AGM that the e-voting platform provided by NSDL shall remain open for 15 minutes after the conclusion of the AGM for voting on the agenda items as set out in the notice of the AGM. Mr. Himanshu Kamdar – Scrutinizer, shall submit his report to the company on the votes cast through the remote e-voting process conducted prior to the AGM and e-voting at this AGM. The combined results of the e-voting along with the Scrutinizer's report will be declared and uploaded on the company's website www.dmartindia.com immediately on receipt of the Scrutinizer's report, which will be within two working days of the conclusion of this meeting.

On behalf of the Board of Directors, I thank members for their participation in the AGM and continued support of the company. I also thank my fellow Directors for joining me in this meeting. The meeting is now concluded. I hereby declare the proceedings of the Avenue Supermarkets Limited 23rd annual general meeting closed. I also authorize Mrs. Ashu Gupta to conduct the voting procedure and conclude the meeting. With your consent, I and other Board members would like to take your leave now. Thank you so much for being a part of your morning with us.

Mr. Ramesh Damani – Chairman, Avenue Supermarkets Ltd.:

Thank you, Ashu. Over to you.

Moderator:

Thank you so much. Can we have the e-voting timer displayed please?

The members who could not cast their votes before have a 15 minutes window to vote.

Ms. Ashu Gupta – Company Secretary, Avenue Supermarkets Limited:

Dear Members,

The eligible and willing members have been given adequate time to cast their vote at the meeting. This concludes the e-voting process of the AGM.

Thank You.
