AVENUE SUPERMARTS LIMITED

TRANSCRIPT OF THE 22ND ANNUAL GENERAL MEETING

Day	**: Wednesday**
Date	**: 17th August, 2022**
Time	**: 11.00 A.M IST to 12.54 P.M. IST**
Venue	**: Through Video-conferencing**

CORPORATE PARTICIPANTS:

Directors and Key Managerial Personnel:

Mr. Ramesh Damani
Chairman and Independent Director

Mr. Chandrashekhar Bhave
Independent Director

Ms. Kalpana Unadkat
Independent Director

Mr. Ignatius Navil Noronha
Managing Director and CEO

Mr. Ramakant Baheti
Whole-time Director and Group CFO

Ms. Manjri Chandak
Non-executive Director

Mr. Elvin Machado
Whole-time Director

Mr. Niladri Deb
Chief Financial Officer

Ms. Ashu Gupta
Company Secretary

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

Good morning and a very warm welcome to all the shareholders at the 22nd Annual General Meeting of Avenue Supermarts Ltd. I am Ashu Gupta, Company Secretary of your company. I hope all of you are safe and in good health.

Before we commence, I would like to inform you that this Annual General Meeting is being held through Video Conferencing or other Audio Visual means in accordance with the General circulars issued by the Ministry of Corporate Affairs and Securities Exchange Board of India from time to time, applicable provisions of the Companies Act 2013 and the SEBI Regulations. The two-way teleconferencing / Webex facility is being made available to the shareholders to attend the 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 not applicable.

The company has received requests from few members to speak in this AGM. Accordingly, the floor will be opened for the members to ask questions or express their views. It is hereby informed that 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 host of the AGM and 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 or other Audio Visual means, the resolutions mentioned in the notice convening this AGM have already been put to vote through remote e-voting. 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 proceedings of the meeting. Thank you and over to you Sir.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Sure. Thank you so much Ashu. On behalf of the board of directors, I Ramesh Damani, Chairman of the board, welcome you to the 22nd Annual General Meeting of Avenue

Supermarts Ltd. I am joining this meeting from my office in Nariman Point in Mumbai. I have been informed that the requisite quorum for the meeting is present, 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 Companies 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 their requests to investorrelations@dmartindia.com from their registered email address. Before I begin my address, let me take the honour of welcoming our board members who have joined us for this meeting. For safety reasons, we are all attending this meeting from different locations. Therefore, I now request the board members, as I speak their names, to introduce themselves. May I first call upon Mr. Chandrashekhar Bhave to introduce himself.

Mr. Chandrashekhar Bhave – Independent Director, Avenue Supermarts Ltd:

Good morning everybody. I am Chandrashekhar Bhave. I am the Independent Director of your company on the board of directors. I am also the Chairman of the Audit Committee, Nomination and Remuneration Committee and the Corporate Social Responsibility Committee of the company. I am joining this meeting from a Hotel in Berlin. Thank you.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Thank you Mr. Bhave. May I request Ms. Kalpana Unadkat, our Independent Director to introduce herself.

Ms. Kalpana Unadkat – Independent Director, Avenue Supermarts Ltd:

Thank you Mr. Damani. Good Morning everyone. I am Kalpana Unadkat, an Independent Director of the company. I am attending this meeting from Mumbai. Thank you.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Thank you Kalpana. May I request our superstar Managing Director Ignatius Navil Noronha to introduce himself. You are on mute Navil.

Mr. Ignatius Navil Noronha – Managing Director and CEO, Avenue Supermarts Ltd:
Thank you Sir. Good Morning everyone. My name is Ignatius Navil Noronha. I am the Managing Director and CEO of your company. I am also Chairman of the Risk Management Committee of the company. I am joining this meeting from Mumbai. Thank you.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Thank you Navil. May I request Mr. Ramakant Baheti to introduce himself.

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

Good morning everyone. I am Ramakant Baheti, Whole-time Director and Group CFO. I am attending this meeting from Mumbai. Thank you.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Thank you Ramakant ji. May I request Ms. Manjri Chandak to introduce herself.

Ms. Manjri Chandak – Non-Executive Director, Avenue Supermarts Ltd:

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

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Thank you Manjri. May I request Mr. Elvin Machado to introduce himself.

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

Good morning everyone. I am Elvin Machado. I am Whole-time Director of your company and I am attending this meeting from Thane Corporate office.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Thank you Elvin. In addition to our Directors, we are also joined by Mr. Niladri Deb, Chief Financial Officer of the company, who is joining us from the Head office of the company in Thane. Welcome Mr. Niladri.

The Chairman of the Audit Committee, Nomination and Remuneration Committee and the Stakeholder's Relationship Committee are present at the AGM. We also have with us Mr. Sudhir Soni - Partner SRBC & CO LLP, Statutory Auditors of the company and Mr. Himanshu Kamdar - Partner M/s Rathi & Associates, Secretarial Auditors and Scrutinizers for e-voting, attending this meeting through Video conferencing.

May I now address the shareholders.

Good morning dear shareholders. I am extremely delighted to interact with you through this medium. We have adapted to a new normal way of life since the past 2 years due to COVID-19. The second wave of the pandemic further tested our will as a society. We as an organisation, focused on what we could do to help our customers, partners, employees and the society at large, as these events unfolded. Despite the challenging times, FY2022 progressed positively. This was driven by a strong approach by the government to balance life and health, including lockdowns and wide-spread vaccination programs to safeguard public health, and implementation of much-needed fiscal and monetary policy measures to boost liquidity into the system. We also observed private and non-profit sectors, as well as healthcare personnel and others working together to serve the country and its people.

The Indian GDP is estimated to have grown at 8.7% in FY 2022 exceeding the pre-COVID levels in actual terms. The effects of various reforms for capital spending, greater capacity utilisation and more private investments are likely to enable this growth.

At DMart, we saw growth across all our key financial parameters. We opened a record of 50 new stores during the financial year. With that, our retail footprint expanded to 284 stores by the end of March 2022. As part of our CSR commitments, we have continued directing our support to the public education system in India. In the past two years, we have enabled virtual systems through which the pupils are able to study remotely. We have also expanded our reach to two new cities, Pune and Aurangabad in Maharashtra, apart from extending our reach in the Mumbai Metropolitan Region. In addition, the company has made meaningful contributions to support some reputed and well-run external institutions in the fields of education, healthcare and nutrition. We continue to strengthen our efforts on sustainability through various means that would have a meaningful long-term positive impact on our company, its employees, the environment and other stakeholders. Considering the overall development of the country, the emission per person and the nature of our business model, we have developed a matrix for our go-to-market strategy on sustainability. We have detailed the same in our Annual Report this year.

I would like to express my gratitude to all our shareholders who continue to trust in us, in DMart and what DMart is and what it stands for. I want to express my sincere gratitude to all of our employees for their unwavering focus, passion and dedication in assisting us in serving our consumers in their time of need. I am optimistic of India's resurgent consumption story and its growth potential, and in DMart's continued ability to serve millions of Indians with our value proposition. As we continue to serve and grow, I request your extended cooperation. Thank you very much.

I conclude my speech and now we will carry on with the business of the meeting. The notice convening the 22nd AGM along with the Annual Report for the financial year ended 31st March 2022 consisting of financial statements including the Board's Report and Auditor's Report, have been sent only to 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 hosted on the website of the company. With your permission, I shall 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 31st March 2022 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 qualification, observation 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 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 2021-22 and the business matters for today's meeting. The Shareholders who have sent queries on the email id of the company provided in the notice of the meeting, will be answered during the meeting. As regards any personal grievances or queries if any, shareholders are 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 or give suggestions. Moderator, will you take over?

Moderator:

Mrs. H.S. Patel. She is not available in the meeting now, so we will move on to the second shareholder Mrs. Elizabeth Mascarenhas.

Mrs. Celestine Elizabeth Mascarenhas – Shareholder:

Hello? Am I audible?

Moderator:

Yes, ma'am, you are audible.

Mrs. Celestine Elizabeth Mascarenhas – Shareholder:

Very good. Chairman Sir Mr. Ramesh Damani, MD & CEO Ignatius Navil Noronha, members of the board, my fellow shareholders attending this virtual meet, I am Mrs. Celestine Elizabeth Mascarenhas and I am attending from Mumbai. First of all, I will offer my condolence to Mr. Ramesh Damani on the demise of his great friend for 30 years Mr. Rakesh Jhunjhunwala. May his soul rest in peace and eternal rest grant him to Lord and may the souls of the faithful rest in peace.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Thank you.

Mrs. Celestine Elizabeth Mascarenhas – Shareholder:

With this, I go ahead. I thank the Company Secretary Ms. Ashu Gupta and her team for sending me the e-Annual Report and also for registering me as a speaker at my insistence and for giving me this platform to speak. Thank you very much. The Annual Report is very informative and self-explanatory, the working is good, even PBT, PAT is up, EPS is also up at 24.95 as against last year of 17.99, but no dividend. I would like to know when, in which year we will be having dividend? After 3 years we will be celebrating Silver Jubilee. On pg. 26 and 27 I see all the directors with a smile. I feel some positive thing will come out for the minority shareholders, or to make our Dmart… think of being like Berkshire Hathaway of Warren Buffet, which is equivalent to Dmart of India – only give higher and higher valuation. Anyway, the task is for you. Rest, I go to the next one. Congratulations for all the awards and accolades received in these tough times, thank you so much. I also appreciate the CSR work done, and it is a great thing, the work is done so well! Of course, I am very happy that we have very good CRISIL ratings on our bonds. Also, ESG initiatives are taken. I would like to know whether we have gone for rating, and if yes, which agency and what is our score? Now my query is, we have 284 stores and 50 stores are added. How many are fully owned and how many are leased? How long does it take for a store to be viable, a year or some months? No. 2, the percentage of online sales to total sales? What is our market share in retailing? No. 3, what is the capex for the next 3 years and getting ready for Silver Jubilee for organic growth and inorganic growth by acquisition like many retailers have done? Like Big Basket, Nature's Basket, etc. Rest, I think there are many people who want to speak. I support all the resolutions and wish our Dmart team the best of health, because health is wealth and good luck. Now Mr. Mascarenhas my husband, he is also a shareholder. He wants to say few lines.

Mr. Aloysius Mascarenhas – Shareholder:

Respected Chairman Sir, am I audible?

Moderator:

Yes.

Mr. Aloysius Mascarenhas – Shareholder:

Respected Chairman Sir, members of the board and my fellow shareholders, good morning to you all. My name is Aloysius Mascarenhas. I am the best wisher of our company. It is doing so well. The market cap is going up day by day. My only question is, we are flourishing in India. Do we have any plans to set up stores like Walmart or anything abroad, in Dubai and all? This is my only question. Like Warren Buffet, we are doing very well. 3 years down the line we will be completing our Silver Jubilee and expect a bonus if not dividend, because dividend is not a practice, so atleast a bonus. With this, I wish you personally, our Chairman and the board of directors and more importantly, all the employees all the very best in the days and years to come. With this sir, thank you very much.

Moderator:

Thank you so much Sir. Next, we would request our next speaker shareholder Mr. Yusuf Rangwala to please proceed with the question. Mr. Yusuf, we would also request you to please turn on your camera for a better interactive experience.

Mr. Yusuf Rangwala – Shareholder:

Good morning Sir. Mr. Damani, can you hear me?

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Yes, sir.

Mr. Yusuf Rangwala – Shareholder:

I am Yusuf Rangwala from Mumbai. Namaste to our Company Secretary Ashu Gupta and Mr. Damani, how is your health? Because of your hard work, the share rate is Rs. 4,200. You gave us shares at Rs. 300 and have made us all rich, what else should I say? A Rs. 300 share is today quoting at Rs. 4,200, about 10 times the market rate. This shows how much you care. I want to know how much business did you'll do on 15th August? What schemes did you have for the 15th of August? I went to Reliance and they had lots of schemes running there. What were the schemes at our departmental store? If possible, do send us a 30% discount coupon please. How many total stores do you own and how many new stores do you intend to open? Do you have any plans of merging with Big Bazaar which has been down for a while now? At present, Reliance is our main competitor and Star Bazaar. I want to know who else is our competition? What can I say about you and our Secretary Ms.

Gupta! I want to recite a few lines – May you always be greeted by the fragrance of flowers. My best wishes for the upcoming festivals. Ganesh Chathurthi is around the corner and tomorrow is Janmashtami. So, wish you a very happy Govinda sir! With Govinda's blessings, may our share price of Rs. 4,200 cross Rs. 5,000 when we meet next year, that is my wish. This is our 22nd AGM and in 3 years we'll be celebrating 25 years. So, how do you plan to celebrate? If possible, do plan a bonus for us. By vaccinating all your staff during COVID, it shows how much you care for your people, and this makes me very happy. Very few companies care this way for their staff, but you Mr. Damani are an exception. Sir, I visited your store in Kanjurmarg which is very nice. What do you have to say about that sir? You have online service all Mumbai, do consider starting offline too since I find it difficult to shop online. You have stores all over India. What else do I say to you! If possible, I can only pray for your good health Mr. Damani. I'll end my speech here. Thank you very much. Jai Hind sir!

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Thank you Sir.

Moderator:

Thank you so much Mr. Yusuf. We would like to proceed with our next speaker shareholder. We have Mr. Rajendra Sheth.

Mr. Rajendra Sheth – Shareholder:

Hello? Hello? Can you hear me?

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Yes, go ahead.

Mr. Rajendra Sheth – Shareholder:

Inspite of having such a big network of shareholders, your Secretarial Department sends the balance sheet and notice on time, so I thank them for that. Also, they called me twice to share the link, so I'm very thankful to them. The management of Dmart has changed the entire retail landscape. What do I say? You have saved the time of so many homemakers by providing good quality and reasonable products under one roof. Dmart has really created wonders! I visited my native place in Kutch, and our Dmart store is in Bhuj. The village ladies go to Dmart twice a month (once in 15 days) and procure all their groceries from Dmart. They say, you can never match these prices. Sir, you have people travelling to Dmart from 25 kms, even 40-50 kms. So Dmart is really serving us well. Another thing is, each shop of ours is at such a prime location. I do marketing work, so I'm aware that our shops are in really good locations. I would like to thank you for that too. I just have one question Mr. Damani. It would be great if we explore 2 tier and 3 tier cities too. You run such a big empire, you definitely know better than me. I really want to thank the management. I will end this speech with a Shlok (sings Shlok). I wish you all good health. Thank you and with that I end my speech.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Thank you.

Moderator:

Thank you so much Sir. We would like to proceed with our next speaker shareholder Mr. K. Sadananda Sastry. Unfortunately, he couldn't be with us. Going ahead, we have Ms. Prakashini Shenoy. She is also not found in the list of attendees. So, going forward we have Mr. Satish Shah. Mr. Satish, we request you to please put on your camera for a better experience. Now you have been unmuted. Can we have your question please? Mr. Satish, please go ahead with your question please. I believe he is not able to hear us or there is some connectivity issue at his end. So, going ahead with the next speaker shareholder, can we proceed with Mr. Anil Parekh.

Mr. Anil Parekh – Shareholder:

Hello. Am I audible?

Moderator:

Yes, sir.

Mr. Anil Parekh – Shareholder:

I am not able to join through video, so I will continue with the audio. Chairman sir, first of all, I would like to extend my gratitude to all the board members and Mr. Ramesh Damani. Also, I would like to join with Mrs. Mascarenhas in giving my condolences to our Big Bull Mr. Rakesh Jhunjhunwala on his demise 2 days ago. He was a role model to all of us, and I'm really thankful to you for allowing me to speak. Sir, under the circumstances, excellent performance as always! I have never seen a single family who does not go to Dmart for their daily needs. So, it is because of our founder Chairman's vision and the excellent work done by you all, that every family, atleast one member in a family goes to Dmart every day. Sir, my second request is, kindly have a physical meeting next time where we have everything very well placed. We miss the essence of a physical meeting sir. To continue with my questions, on pg. 5, we have presence all over India but we have missed all the eastern parts where we do not have single presence. Please give me your views on that and when are we going to establish our stores there too. Sir, then on pg 9, all the financial performance indicators are excellent. I do not want to spell that out. It is because of your dedicated efforts and the excellent work done by your board members. Sir, on pg. 24, about CSR activities, we are helping Cancare Trust, that's very good. I have gone through the details; we are doing excellent work for cancer patients. Sir, continue helping them. On pg. 29, I would like to extend my wholehearted support to Ms. Ashu Gupta. Your CS team is doing excellent work and we all are happy. My only question is, why are we missing dividend inspite of the fact that we are doing excellent work? This is the time when you can reward the shareholder by declaring dividend. So, please give me your justification on that. Sir also, our Avenue e-commerce, Nahar & Seth and Reflect Wholesale, kindly give your views on that, what they are doing and how you are going forward with them? My last question is, on pg. 132 we have done related party transactions with Avenue Food Plaza. It's a negligible, Nahar & Seth is also negligible, and then Reflect Wholesale, 7 Apple Hotels, Bombay Swadeshi, Derive Trading, Damani Estates, Khaitan & Co and Boutique Hotels. Sir, are all these having related party at arm's length? Please give me your views on how you top line and bottom line will help us. Thank you for your patient hearing. I support all your resolutions. Thank you Sir.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Thank you.

Moderator:

Thank you so much Mr. Anil. Our next speaker shareholder is Ms. Lekha Shah. Unfortunately, Ms. Lekha could not join us in this meeting. So, going ahead with our next speaker shareholder, we have Mr. Hasmukhlal Vora. Mr. Hasmukh, you have been unmuted. Can we have your video turned on for the question please?

Mr. Hasmukhlal Vora – Shareholder:

Yeah, thank you. Am I audible Sir?

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Yes, you are.

Mr. Hasmukhlal Vora – Shareholder:

Yeah, thank you. Good Morning to you all. My name is Hasmukh Vora from Mumbai. First of all, compliments to our MD & CEO Shri. Ignatius Noronha. He is the architect of our expansion activities and for continuing to increase profitability. My thanks are also due to the Secretarial Team led by the Company Secretary Ms. Ashu Gupta. They have sent me all the information required, which enables me to speak at this meeting. Second thing, the results are excellent with increased sales and increased profits. I would like to know if the management can share with us, what you think is the estimated CAGR in sales and profits for the current year FY22-23 and for FY23-24? Third thing I would like to know is about the publicity. Nowadays, if you see the newspapers, we see lot of newspapers with Reliance Jio, but our Dmart is absent. I mean, there are not many advertisements. So, I would like to know, what are the management's views in this regard. I personally believe that if we do publicity, it will increase our business. The next thing is consolidated PAT (Profit After Tax) is less than standalone PAT. Consolidated profit is 1,492 crores and standalone is 1,616 crores. It means our subsidiaries or associate companies have contributed negatively in our profits. So, I would like to know the management's views as to when these subsidiaries/associates will come in the profit space? Lastly sir, thank you and all the best!

Moderator:

Thank you so much Hasmukh ji. Going ahead with our next speaker shareholder on the list, we have Ms. Swaran Lata.

Ms. Swaran Lata – Shareholder:

Hello, am I audible?

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Yes, Ma'am.

Ms. Swaran Lata – Shareholder:

Okay. Good morning Chairman Sir, Board of directors and my fellow shareholders attending the e-meeting. Congratulations to the management and all the staff for providing excellent results during the COVID pandemic. Sir, I have full faith in the management and I have no doubt in the financial statements of the Annual Report. Most of the points have been covered in the Chairman's speech, but I would like to know, in this improved scenario, in domestic market after the pandemic, how would you reward the shareholders in FY23? Shall we expect a bonus issue or split of equity face value? Second, I want to know what steps has the board taken to monitor that shareholders' interests are being protected? Lastly I would like to know, sir, is there any discount scheme to be given to the shareholders on their purchase from Dmart stores? Further in this regard, I would request the management and specially the CMD sir to please consider my request of a discount voucher to be issued to the shareholders, or atleast to the members who are attending the e-meeting as a token of love and affection. Thank you very much to the Secretarial Department for allowing me to put up my points in the meeting, and hope the management will continue to hold the AGM through VC in the future which enables shareholders residing in faraway places like me to interact with the management. Thank you.

Moderator:

Thank you so much Ma'am. Going ahead with the next speaker shareholder. We were supposed to have Ms. Lekha but she couldn't join us. After that, we were supposed to have Mr. Suresh Chand Jain, he couldn't be with us either. Going ahead with the list of the registered speaker shareholders we have Mr. Ravi Kumar Naredi. Mr. Ravi, we are ready for your question. Can we have your video turned on please? You have been unmuted.

Mr. Ravi – Shareholder:

Hello? Hello?

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Yes, go ahead.

Mr. Ravi – Shareholder:

Pranam to the Chairman of our company, my investment guru Ramesh ji, fantastic performer MD Mr. Noronha, honourable board of directors, employees of the company, fellow shareholders and finally, Shri. Radhakishan Damani, promoter of the company. Sir, it is good that you have added 12 locations of Dmart Ready. Congratulations for the same! Whatever stores we are planning, we are not asking but want to know, in the existing stores, do you have any plans to expand space. If yes, how much percentage we may do? Secondly, Avenue E-commerce results as on 31st March 2022, our lost for FY22 is 142 crores. So, when are we likely to breakeven? Sir, how many employees do we have as on 31st March 2022 and how much did it grow in FY22 and what are our plans for FY23? Sir, you said in larger terms, the top line is higher inspite of higher property prices. So, how many larger towns are still left in India to open our stores? Sir, we have Dmart Ready in 12 cities. Do we have any plans to open any brick & mortar store, or would we skip that? Sir, revenue from sales per sq. ft. is 27,454 in FY22 v/s 35,647 in FY19. So, we have grown 176 to 284. This 35,647 is a dream only, or would we achieve this? And lastly, can we opt for a billing system in the store in such a way that those who want 'tatkal' scheme, can do so without waiting, at an extra service charged by Dmart? Can we implement that, that is my question. Thank you very much. All the best for everything.

Moderator:

Thank you so much Sir. Thank you. Next we were supposed to have Ms. Vasudha Vikas Dakwe on the list, but she couldn't join us. Going ahead to the next registered speaker shareholder, Mr. Bharat Mulchand Shah. Bharat ji, please have your video turned on for the question.

Mr. Bharat Shah – Shareholder:

Hello? Sir, Can you hear me?

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Yes.

Mr. Bharat Shah – Shareholder:

Respected Chairman, other honourable Directors, my name is Bharat Shah. I have no queries because you gave us shares at Rs. 300 and now the value has skyrocketed. You are running the company so well that I am sure this current share price will double or even triple in the next 5-6 years. You are running the company so efficiently and neutrally. You have always respected and taken care of your shareholders and taken the company to new heights. I thank you for that sir. I also thank the board of directors and all the employees (small and big) of the company. I do not have any queries as such, but would request you to give us a dividend atleast in the next 1-2 years. Even if there is no dividend, the share price is so good, and that itself is our dividend. But, please be on the dividend list and also do consider a bonus in the future, in about 2-4 years. I congratulate you for all the awards received and pray the company reaches new heights. I also thank you for all the humanity you all show in your CSR activities. If possible, do allow us to meet face to face next year as it's been 3-4 years since we last saw you. So, this is my request. I wish you for all the upcoming festivals. I support all your resolutions. Thank you very much sir. Jai Shri Krishna! Please hold on, Smita Shah will now speak.

Mrs. Smita Shah – Shareholder:

Hello Sir. This is Smita Shah. Respected Chairman Shri. Ramesh ji, Shri. Radhakishan ji, Shri. Gopikishan ji, MD & CEO Shri. Ignatius ji and other respected directors, I'm Smita Shah. Good morning and Namaskar. Firstly, I want to thank your CS team for the good investor service extended by Ashu Gupta and her team. Abhishek from the CS team called me to confirm whether I received the link and guided me how to go about this call. They have extended very good service and have even sent me the balance sheet on time. So, I would really like to thank the whole Secretarial Team. Sir, what do I say about you! You have been constantly hitting sixes and have taken the company to great heights and have made all us shareholders rich. The company is steadily moving ahead with its excellent performance. The share price has really sored since its issue, which is very good. I salute your courage and through your leadership, we can see the drive and passion you have for this company. We have been with you in the past, in the present and will surely be there with you in the future. May you never lag behind and always surge ahead with your hardwork. My best wishes for your good health and prosperity for the company. Sir, you have started a third milk brand of Dmart called Aabad. We have used that brand and it's very nice. You already have Prabhat and Govardhan brands and you even get curd in those brands. It would be nice if you had curd in this Aabad brand too, it would benefit the customers. Sir, this is a request I have even raised before, please keep packings of half kg too, because there are many customers who might need just that. If you have half litre milk and curd, they could benefit from that too. Please consider this request of keeping half kg packings. In 3 years you'll would be celebrating your Silver Jubilee. Please plan something for the shareholders on this milestone. Do consider a bonus and a get together for the shareholders on this occasion. Sir, please start giving us dividend because your revenue from operations and sales income has grown four times. It would benefit you'll promoters and even us shareholders.

Moderator:

I believe her connection was cut-off. If at all she has any questions, she can definitely put that down in an email. Moving ahead with our next speaker shareholder, we have Ms. Hutokshi Sam Patel.

Ms. Hutokshi Sam Patel – Shareholder:

Hello?

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Yes, we can hear you.

Ms. Hutokshi Sam Patel – Shareholder:

Thank you. Respected Chairman Mr. Ramesh Damani, Mr. Noronha the MD I am a bit unwell, so my voice is a little hoarse, kindly forgive me… Mr. Noronha the MD & CEO, Mr. Machado – Director, Ramakant Baheti… just hold on… please hold on… Yes, Sir. Respected Chairman and eminent Board of Directors, our Mr. Baheti, the CFO of the Group CFO, Mr. Niladri, the CFO of the company, Ashu Gupta, Company Secretary. I am very much thankful to both of them, Niladri Deb and Ashu Gupta for giving me a very good annual report. Mr. Deb Sir, very good financial figures, you have given -- all the points are very self-explanatory and very good report. Ashu Guptaji, thank you very much for your annual report. The whole secretariat team has worked very hard to compile good report. Ankit Aggarwal has been very, very helpful. Ankit is very competent, very capable, and efficient person. Whenever I trouble him with all the different questions in the annual report, he never gets angry. He is very humble, very polite, but very competent, very capable. I also thank Anita Shetty also for this. Company this time though revenue PAT, net profit margin, operating margin have all gone up, return on net worth is also up, paid up capital is increased, turnover has increased, EPS has increased, but income has come down. Cash and bank balance are both down, bank balance is also down, cash in hand is also down. I do not know what is the reason for that? if anybody from the finance is able to answer this, please I request. Inventory level has gone high up, depreciation expense has also gone high up, and other expenses, these things could have been controlled. Investment level has increased, so all the profits that you have earned has gone into the investments. Sir, why is it so? we are also the shareholders, we also spend our hard earned money in investing with DMart and we are not getting any dividend, it's okay we don't mind, but in the hard crucial times it is the dividend on which many of our senior citizens depend. We have, of course shares of other companies also, but each company is giving us a dividend, while you have not provided any dividend to us. The company had doesn't do anything for the shareholders, I feel it in that way. See first of all, you all do not have any factories, so that is no factory visit that other companies give us. They take us for different places every year, of course in 2-3 years just because of COVID it was not there, otherwise every year -- even pharmaceutical companies also take us, other companies take us pharmaceutical also he's taken us to the factory visit, then we have get together, then they celebrate the Diwali by sending a sweet box, the Christmas time or the new year 1st January, nothing is done. So, no activity at all, nothing good is done for the shareholders. Damani Sahib is very cunning, I know you have daughters, but we also have children at home, we also have to look up to our children. So, this cunning is not nice, share it with your shareholders also. You do not give enough dividend to us, you do not do any other good things to us, you don't even give us coupons, at least some concession coupon we are getting coupons from future people. We are getting coupons from Reliance from innumerable companies we are getting coupons. No it is not by law, no it is – law is applicable to everybody, yet we are given, yet we had taken care of, good care is taken for the shareholders by other companies. Why Damani -- why DMart is not taking good care of the shareholders? You don't know your share price has gone very up that is one thing good for us, but at the same time we cannot increase our portfolio. If you are having 20-40-50 shares, we cannot make it into 100 because the prices gone up 4,000. Today, the share price of the company's 4,436. This is the 22nd AGM and the share price today is this and you have not given any dividend to us. I strongly support all your resolutions specially resolution number 2, and all other resolutions. Your CSR activity has been very good, impact assessment report given by the other company has been very good, so good CSR activities is done, out of 32.23 amount your company has already spent 31.29. last year's amount is carried forward 0.94. this year again the balance is becoming equal and so, however, the activities of the CSR has been very good by the company. When you can be so good with the people outside the firm which you have no returns, I do not know why government is forcing the companies to do the part to have 2% of their profit to the CSR activities. People keep on producing and producing 3-3-4-4 children, there is no common investment done by anybody from that section into your company. However, I find that Retailer Association of India has invested 10,000 shares in our company, if you can throw some light on it what is it or since when they are holding 10,000 shares in our company, have we allotted them or they have purchased the shares? If you can throw some light on it when you answer our questions. Year-by-year you also provide 8% salary increase to your employees, that is very good note two thing because at the COVID times they are working hard -- really they're working hard in your shop to increase your sale, to increase the sales purchase everything, good facility was provided by DMart in the crucial times of COVID. I really congratulate all your employees for their hard work, but Sir they even consider us also. We also look up to you, dividend is not there, but in other means you can do good to us in that time you should not say no it is not by law. Law is applicable to all the companies and yet they are doing good to the shareholders. They are doing immense good to the shareholders. Can I know at least 2-3 things of yours what good you have done for the shareholders alone? What Company Secretary Ashu Guptaji, you are a link between the shareholders and the company and the management – Directors, why don't you convey our message to them? Tell Damani Sir, that it is not good to be so stingy, give out even to the shareholders. We are investing back in the company, we had investing our hard-earned money back in the company, the others are investing, are they getting anything in return? give them in return. When you have come in the business you also want a profit in return, isn't it Damani Sir? so, we are investing our money, we also want in return. That's all I have to say. I thank very much, even the OAVC system has given opportunity to all the people whole of India to participate in this AGM, also I would like to give one more important point, AGM is meant for the shareholders, not for anybody else, Board meeting is meant for the Directors, but AGM is meant only for shareholders. Importance is to be given to shareholders at the time of AGM. That's all. Thank you very much, Noronhaji. Please and Mr. Baheti Sir, you are a Group CFO, see that advise Mr. Damani for making good for the shareholders. Thank you very much, Mr. Damani Sir, all the Directors on the Board, all the employees who have worked very hard, I thank you very much and good luck to the company.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Thank you.

Moderator:

Thank you so much Ma'am. We would like to proceed with our next speaker shareholder on the list. We have Miss Khushali Sanjay Agrawal. Khushaliji, you have been unmuted and can we have your video turned on for the question please?

Miss Khushali Sanjay Agrawal – Shareholder:

Yes, Sir. Am I audible?

Moderator:

Yes, you are.

Miss Khushali Sanjay Agrawal – Shareholder:

Thank you, Management of Avenue Supermarts Limited for giving me this opportunity. I am Khushali Agrawal and my question is, the Avenue E-Commerce Limited, which is our subsidiary company in which we have invested 492 crore. In year ending 31st March, 2022, we have loss of 1 crore and it has been six years since the company has incorporated, according to the management, till what year, the company will come to a break even position and second question is, now there is trend of 10-20 minutes delivery, is there any idea of entering it by the company. So is the company going to acquire an existing player or is going to start their own business? Thank you so much.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Thank you.

Moderator:

Thank you so much, Miss Khushali. Proceeding with our next speaker shareholder, we have Mr. Ashok Kumar Jain. Ashokji, can we have your video turn on for a better interactive experience during the question please.

Mr. Ashok Kumar Jain – Shareholder:

Hello. I am audible Sir? hello?

Moderator:

Yes. Go ahead.

Mr. Ashok Kumar Jain – Shareholder:

Good morning, Chairman Sir, Board of Directors, and my fellow shareholders. I'm Ashok Kumar Jain joined the meeting from faraway distance, Delhi. First of all, I am thanks to the Secretary Department who helped me to join the meeting on E-portal. Thank you, Sir and Chairman Sir in his AGM speech …. [No audio/breaking voice] you are not giving dividend, but at least think about the bonus for the shareholder or at least give coupons for the shareholders who are attending the meeting. In the coming times, how many stores are you planning to open in the north side …. [No audio/breaking voice]. Thank you, Sir. Thank you.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Thank you.

Moderator:

Thank you. Proceeding ahead with our next speaker shareholder, we have Mr. Ashish Bansal. Ashishji, can we have your video turned on for the question please.

Mr. Ashish Bansal -- Shareholder:

Respected Chairman and Board of Directors, you can hear my voice Sir?

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Yes, Sir.

Mr. Ashish Bansal -- Shareholder:

Thank you so much. I thank you for a wonderful new year performance. On YouTube it is shown, how …. [No audio] has come up with Jio Mart and Big Basket is shown, wonderful you have come in the YouTube in performance. Sir, I want to know page #25, …. [No audio] provided by government and …. [No audio] how you involved in …. [No audio] something about it. …. [No audio] IPO misprinted split share 10 to 5, 5 to 1, …. [No audio] or we split and …. [No audio] because you have 75%, like this you can print something has to done with the shareholder. Previous speaker also said dividend is not given …. [No audio], something has to be given to the shareholder. Thank you so much.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Thank you.

Moderator:

Thank you so much. Moving ahead with the next speaker shareholder, we have Miss Sandhya Kejriwal. Sandhyaji, can we have your question please.

Miss Sandhya Kejriwal – Shareholder:

Hello. Good morning, Sirji.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Yes.

Miss Sandhya Kejriwal – Shareholder:

Sirji, our company's working capital is very nice, but no dividend is given. Please think about it. Your store is working very nice. My son went in the Hyderabad Store, there was big crowd and the price was also very reasonable. I request you to open a store in Kolkata.

Over here Big Bazaar is closed and that space is empty. Please think on it. I thank you for allowing me to speak. Thank you.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Thank you.

Moderator:

Thank you so much Sandhyaji. Our next speaker shareholder is Mr. Arjun R. Vadher. Mr. Arjun can we have your video turned on for the question please. You have been unmuted.

Mr. Arjun R. Vadher – Shareholder:

Hello, Sir.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Hello.

Mr. Arjun R. Vadher – Shareholder:

Am I audible, Sir?

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Yes.

Mr. Arjun R. Vadher – Shareholder:

Thank you, Sir for giving me the opportunity to speak. Sir when is DMart going to start home delivery in big city like Rajkot in Gujarat? Second question is, the biggest state of India is UP, are you going to open or planning to open the store in big cities like Lucknow and Kanpur? Sir thank you for giving me an opportunity and I am a big fan of Mr. Ramesh Damani Sir. Thank you, Sir.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Thank you, Sir. Thank you so much.

Moderator:

Thank you so much. Our next speaker shareholder is Mr. Rajamohan. Sir, can we have your question with a video turn on please.

Mr. Rajamohan – Shareholder:

Yes. Am I audible?

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Yes, you are.

Mr. Rajamohan – Shareholder:

Yeah. I am unable to turn my video on. Anyway. Thank you for the opportunity and congratulations on managing the extraordinary situation prevalent in the last two years. First, prior to -- before my queries, I want to commence with a deep appreciation of the Super CEO as the Chairman himself stated on your simple yet clean value based eroded responses especially in this year's investor call. I keep learning a lot about how to keep things simple especially in this dynamic digital world without any fanfare from your level and I think I need to thank Radhakishan Damani Sir for laying this basic culture, which spreads to all who connect with your super professional organization. coming to my queries, I would like to get your views on Ave E-Commerce basically from an expansion collaboration angle. Would it remain on organic endeavor or is there a window open to evolving any partnerships either with global technology giants or Indian food tech aggregators only on the Avenue E-Commerce side from a longer term? This is especially when the online quick delivery model is growing at such a feverish pace and as a veteran level wanted your views on the operating of these fledging companies in the quick commerce space whether they'll be able to sustain with this model into the future on financial parameters? Second was generally on a trending basis are you gaining more confidence of opening more stores every successive year than previously for the foreseeable future? Do you see sort of saturation on this front not happening in the probably next 10 years or much longer say 20 years? and in this context we wanted to bring in a figure you're given two years back of the store potential in India, which in this investor call you had extended it you had said 1,500 store potential is there for DMart probably in a country like India over the long-term. I wanted to understand what his long term is? It over 15 years or is it over 10 years and also does this potential number have possibilities of steady improvement like the 1,500 current potential that you see, can that also increase with higher per capita or modernization, infrastructure development of the country? Then the next question was basket values are going up structurally especially post COVID and with more larger stores is the potential to improve margins at the operating level remain structural? With the order estimate of gross margins not exceeding 15%, which you again indicated in the investor call, what is the scope for the operating margins to increase from the current 8% add levels? and in this context wanted to understand sales per square feet, this is a query which I wasn't able to give along with my list, wanted to understand the structural trend in sales per square feet and then on ROIC, which you consider to be the most important parameter, looking at very old cohorts you had indicated two inflation level increase in sales being satisfactory for you as they come with much higher turnover per square feet, does it mean that productivity increases and cost leverage are possible in such stores, which grow at inflation level top line? and driving further operating leverage and higher ROICs and generally what is the firm's, DMart's band of satisfactory ROIC? Then my second last second last question was based on your track record, connected to the previous question only based on your track record, have most of the very old cohorts been always able to grow at higher than the inflation level? Then the last question is, you indicated to new stores nowadays attaining to larger scale much quicker, on the positive side does this lead to quicker cluster formation and thereby keeping the pedal on the operating leverage meter accelerating? Thank you for the opportunity and best wishes.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Thank you.

Moderator:

Thank you so much, Sir. Proceeding with the next speaker shareholder on the list, we have Mr. Ramesh Shanker. Rameshji can we have your video turned on for the question please.

Mr. Ramesh Shanker – Shareholder:

One-minute Sir.

Moderator:

Yes Sir, sure Sir.

Mr. Ramesh Shanker – Shareholder:

Hello.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Yeah.

Mr. Ramesh Shanker – Shareholder:

One minute, I am in the traffic.

Moderator:

Sir, it is okay, if you cannot turn on your video, we can have you

Mr. Ramesh Shanker – Shareholder:

One minute please.

Moderator:

Okay.

Mr. Ramesh Shanker – Shareholder:

Hello.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Yeah, go ahead.

Mr. Ramesh Shanker – Shareholder:

Hello.

Moderator:

Ramesh Sir, please go ahead with your question, we can hear you.

Mr. Ramesh Shanker – Shareholder:

One minute.

Moderator:

The question without the video would be fine as well.

Mr. Ramesh Shanker – Shareholder:

One minute, Sir. Hello.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Yeah, please go ahead.

Mr. Ramesh Shanker – Shareholder:

Hello, Moderator.

Moderator:

Yes Sir, we can hear you. Can we have your question please.

Mr. Ramesh Shanker – Shareholder:

Okay, okay. I am seeing you?

Moderator:

Yes Sir, we can see you, we can hear you. Can we have the questions please?

Mr. Ramesh Shanker – Shareholder:

Thank you very much for giving this opportunity moderator. Thank you very much. Sir, I am not able to see Ramesh Damani Sir?

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

I hear you Sir.

Moderator:

Anyway, your question please, Sir.

Mr. Ramesh Shanker – Shareholder:

Sir Ramesh Damaniji, I'm Ramesh Golla, speaking from Hyderabad Sir. Very good morning to you Sir.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Thank you.

Mr. Ramesh Shanker – Shareholder:

I am very happy to see you Sir. I saw Damani Sir after many years in e-platform. I wanted to see you straight away. I have a lot of interest in our DMart Sir. Many people said there are many companies like Big Bazaar, Sensor, More have come. I only said to the people whom I know, that DMart is different. Sir, after these years, our share has gone up to 1,000. From 300-400, it went up to 1,000.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

4,000.

Mr. Ramesh Shanker – Shareholder:

…. [No audio/breaking voice]. I feel very proud Sir. The company is progressing under you. I want to tell you one thing Sir, the secretarial department is very, very, very good Sir, but Ashuji takes care of the shareholder very nicely. I am appreciating particularly Sir. Sir, there are many companies, but there are very few companies who give respect to shareholders. Secretarial Department is famous for this. Like king like people. I want to see the processing unit and storage centers Sir. Please arrange a visit for me. I am very much interested Sir and also, I can meet you. Secondly, in this coming year, how will be the revenue? How many numbers of new stores are you going to open? How many total employees are there in our stores and offices? In Hyderabad, I give first importance to only DMart and if I don't get anything in our store, then I go to another store. You manage the store very nice Sir. We want coupons Sir, Sir give free coupons or discount coupons, it will be nice Sir because you are not giving dividend, and people will be happy Sir. I strongly ask for bonus shares. Sir you earn so much, and we are going to be with you Sir, so please give bonus shares to us Sir. There are many companies doing rights issue more. Recently, my PTC Industries gave rights in ₹10, I already applied Sir. Sir, give like this to shareholders Sir. Even we want happiness like this, so please keep us happy Sir. I want to visit our Mumbai Store. We celebrated 15th August, 75th years Sir. Sir belated happy Independence Day to you Sir, our lovely Sir, Ramesh Damani Sir, and to near and dear all Director Sir. Please tell me to also Sir, please Sir. have a good day to you Sir.

Moderator:

Thank you so much Sir.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Thank you and happy Independence Day to you too.

Moderator:

Thank you. Going ahead with the list of the speaker shareholders who we invited before, but couldn't join for some reason. Going back on the list, we have ma'am Prakashini Shenoy.

Ms. Prakashini Shenoy – Shareholder:

Hello.

Moderator:

We can hear you.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Yes, go ahead.

Ms. Prakashini Shenoy – Shareholder:

Yeah. I'm Prakashini Shenoy from Bombay. Respected, honorable Chairman, other dignitaries of the Board, and my fellow shareholder, good afternoon to all of you. I received the annual report well in time, which is self-explanatory. I thank the Company Secretary and his team for the same. Sir, since I am the last speaker, many questions I wanted to ask, everything is covered, so I have nothing to ask. I appreciate the speech of Chairman. Thank you, Sir. I wish the company good luck for a bright future and pray God that the profit of the company shall reach to peak in due course. Sir, I support all the resolutions put forth in today's meeting. Thank you, Sir.

Moderator:

Thank you so much Ma'am. We have one more speaker shareholder left. We proceed with Ms. Lekha Shah.

Ms. Lekha Shah – Shareholder:

Hello. Can you hear me Sir?

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Yes, I can.

Ms. Lekha Shah – Shareholder:

Thank you, Sir. Respected Chairman Sir, Board of Directors, and my fellow members, good afternoon to all of you. Myself Lekha Shah from Mumbai. Sir, I don't want to say much, previous speakers have said everything. In this whole world, DMart has good name Sir and people are very happy for you Sir. Sir, I wish all the success and support all the resolution. Thank you, Sir.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Thank you.

Moderator:

Thank you so much Ma'am. Here we come to the end of the list of the speaker shareholders who registered for the questions. Over to the Board for the answers please.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Thank you. Thank you, Mr. Moderator. We have received all the comments and suggestions from the registered speakers. May I now request our MD, Mr. Navil Noronha to respond to the questions raised by the speaker shareholders and those received by e-mail thereafter.

Mr. Ignatius Navil Noronha – Managing Director and CEO, Avenue Supermarts Ltd.:

Thank you so much, Sir. I will take them one by one. On the first question on the dividend, the company is still in its growth phase and we have been listed for five years now and our priority is to utilize our funds for future growth and the Board believes that this is the best way of deployment of our capital. The country has huge opportunity and it is best to deploy capital - and we're growing very well. Last year we had the highest number of stores, so it is best to deploy all our accumulated profits into future growth, but at the same time the Board reviews things like dividend or stock splits from time to time and depending on what the Board advises, we will notify all the shareholders from time-to-time.

On the question of how many owned versus leased, we have 39 leased properties out of 294, that is 13% of our stores. So, 13% of our stores are leased and then somebody asked about the time it takes to break even. It is not as simple and not all stores break even at the same time, so depending on the area, region, the amount of money we have invested, break evens could take anything from one year to maybe even three years or five years, it is very dynamic, but in general overall, we are doing fine. Somebody asked about online sales, approximately as per last financial year online sales is 5% of the overall company turn over and somebody asked about opening stores outside of India, we have not considered that yet. We are totally focused on India and India has a humongous opportunity. Retail has direct correlation with the population of the country, we are a ~140 crores population country and there is immense opportunity in this country, so we want to focus our attention on this country, on India. Why not in east of India? We believe in the cluster strategy. We like to open more and more stores in the states that we are operating in, but that does not mean that we will not go to the other parts of the country, but we will evaluate from time-to-time. Infact, somebody asked us about UP, we are already in Ghaziabad and Noida and we are looking for locations in UP also. Then somebody asked about what is the estimated turnover, PAT, all of that for this year and the year after that, we maintain our position that we do not give guidance for the future and we will just declare quarter-on-quarter results, but we usually do not give any guidance. On question on related party, all related party transactions are at arm's length, just wanted to clarify that somebody also asked about break even for the E-Commerce business and when will that happen, we cannot comment on that. The only assurance we give to all our shareholders is that our E-Commerce business approach would be very measured. We will ensure that we do not lose too much of money in the E-Commerce business. I have commented about this multiple times and we're working on a model that will ensure that we have a minimal drain, but when will it break even, we have no view of it right now.

As of end of last financial year, we have 11,312 employees; somebody had a question on that so just commenting on that and we are in 117 towns; somebody had a question on how many towns is DMart in, 117 towns. Somebody asked about our views on quick commerce and what do you want to do there, we are a value retailer, quick commerce focus is more on convenience. We believe that we understand value retailing better, so even on the ecommerce platform, we will focus on the value side of the business and not necessarily the quick side. So, that is our position on quick commerce that we will not be interested in doing the quick 10-20-minute delivery commerce. Then somebody asked a question on the mid-day meal program and how we are working on that. Akshaya Patra is an NGO which partners with the Government of India. They set up kitchens and supply midday meals to all municipal or government schools in that vicinity and this NGO Akshaya Patra then ties up with corporates like us to build the CapEx and provide part of the subsidy for the meals, so in that context, we have built one central kitchen in Bhiwandi, which has been totally sponsored by DMart and that is what we are doing with Akshaya Patra on the mid-day meal scheme.

Then somebody had a question on the store potential for the country. I have mentioned about this that as an opportunity 1,300 to 1,500 stores, that is an opportunity right now. Obviously, if the country's GDP grows and per capita income grows then this opportunity will keep on increasing over a period of time. This is a near opportunity right now. That is what I meant by that 1,300 or 1,500 number of stores potential for DMart. On basket values going up structurally and hence the opportunity on how much of operating margin we should target for, I have commented on this multiple times, I am saying this again- we are focusing on not earning more than 15% gross margin, now what happens below that is a function of market forces. We do not guarantee what operating margins we will be able to give or basis operating leverage how much more operating margin we will earn, all that depends on market forces.

Then there was a question on inflation and inflation-lead growth in high throughput stores, very old stores. Usually in most situations our stores which are very matured and are delivering very high turnover square feet grow at the rate of inflation unless there is another DMart Store that is opened in the vicinity, then obviously there will be a decline, but otherwise these stores usually grow at the rate of inflation and you do get a very marginal operating leverage over a long period of time if this continues because the cost do not grow at the same rate. So, yes there is a very creeping, not very large, operating leverage that sets in.

Then there was a specific question on why deposits, the cash and bank balance has reduced, the decrease is due to short-term deposits being redeemed of ₹1,050 crore during the year for operational requirements. This is a natural course of business so just wanted to clarify that and even inventory going up or depreciation increasing, this is all natural course of business because we opened 50 stores, we had a 50 store addition in last financial year and that's why each of these stores needs inventory, so from a financial year period, you will see a higher inventory, but its natural course of business.

Then there's a question that Retailers Association of India (RAI) has invested in ASL, I would like to correct that, RAI has not invested in ASL but ASL has - that is DMart has become a statutory shareholder in the association, a Section 8 company called Retailers Association of India and I think Ms. Patel is referring to that, so it is we have subscribed to some shares to this Section 8 company and become a statutory board member of this association.

I will now move on to the question that we were asked by e-mail. There is one question on why E-Commerce prices and brick and mortar prices are different? They are not intentionally kept different, in fact, our prices are a factor of what price we buy at and prices do change from time-to-time. So, whether it's E-Commerce or even amongst all stores, there could be situations when the price will be slightly different, very marginally different. So, I just wanted to clarify that, in India the way the relationship between retailers and manufacturers is such that we keep doing some promo or the other once in a while, which is over and above the prices at which we negotiate for a long-term, so there will be a slight marginal impact on pricing, but that's purely basis on what price we buy from manufacturer, so there is no such thing of distinction of pricing between online and brick and mortar. Our endeavor is to ensure the pricing is the same.

Then there was a question on will we focus on Tier 1 versus Tier 2 versus Tier 3. We do not have any preference. The beautiful thing about the DMart model is that it is relevant in a metro, it is relevant in Tier 1, it is relevant in Tier 2 and Tier 3. So, wherever we see an opportunity, our business development teams, our real estate teams are scouting for properties across the states. Wherever we see an opportunity, we will open stores. There is no specific preference for any type of tier or population strata. Then, there was a question on what are the components of miscellaneous expenses. These are primarily around the payment gateway charges, advertising expenditure, and other activities for employee engagement, and all of that. These broad heads of expenditure come under the miscellaneous expense. Then there is one question on number of employees to calculate the median salary. There the number is different from what we report at end of the year and that is because to calculate median salary, the number of the employees is defined as per the rule is all employees for the full financial year. The number of employees for the full financial year is different from the number of employees at the end of the year, that is why they are different.

There was a question on, I will just read the question because it's a bit complicated - we refer to note #31 on page 186 of annual report for financial year 2022, depreciation and amortization expense, we observe that the company has capital expenses of ₹3.84 crore in the financial year 21-22, request you to help in understanding the nature of this capitalized expense. The response to that is, amortization of leasehold land pertaining to sites not opened as on 31st March is capitalized and excluded from depreciation of ₹3.84 crore in financial year 21-22.

I think I am done Sir. Ramesh Sir, I am done.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

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

On behalf of the Board of Directors, I wish to thank the members for participating in the AGM and their continued support to the company. I also on behalf of the Board would like to thank the Promoter family for the constant support and insights into the company. I also thank all the Directors for joining the meeting remotely. The meeting is now concluded.

I hereby declare the proceedings of Avenue Supermarts Limited's 22nd Annual General Meeting is closed. I authorize Mrs. Ashu Gupta to conduct the voting procedure and conclude the meeting. With your consent, I and the other Board members would now like to take your leave. Thank you very much for joining us.

Mr. Ignatius Navil Noronha – Managing Director and CEO, Avenue Supermarts Ltd.:

Thanks, Sir.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts Ltd.:

Can we sign off now all of us? Thank you guys.

Ms. Manjri Chandak – Director, Avenue Supermarts Ltd.:

Thank you.

Ms. Kalpana Unadkat – Independent Director, Avenue Supermarts Ltd.:

Thank you.

Mr. Ramesh Damani – Chairman & Independent Director, Avenue Supermarts 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 Supermarts 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.
