

AVENUE SUPERMARTS LIMITED

TRANSCRIPT OF THE 20TH ANNUAL GENERAL MEETING

Day	: Tuesday
Date	: 1 st SEPTEMBER 2020
Time	: 11.00 A.M IST TO 12.40 P.M. IST
Venue	: Through video-conferencing

CORPORATE PARTICIPANTS:

Directors and Key Managerial Personnel:

Mr. Ramesh Damani

Chairman and Independent Director

Mr. Chandrashekhar 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

Ms. Manjri Chandak

Non-executive Director

Mr. Elvin Machado

Whole-time Director

Mr. Niladri Deb

Chief Financial Officer

Ms. Ashu Gupta

Company Secretary

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

Dear shareholders, Good morning to all of you!

On behalf of Avenue Supermarts Limited, I, Ashu Gupta, Company Secretary of the company welcome you all to the 20th Annual General Meeting of your company. Before we commence I would like to inform you all that due to Covid-19 pandemic and restrictions imposed by the government and local authorities for curbing the spread of the pandemic, Ministry of Corporate Affairs introduced certain measures for Indian companies to convene their annual general meetings through video conferencing or other audio visual means. Considering the health and safety of the shareholders, employees and other stakeholders of the company, as well to organize the meeting in a practicable way allowing equal means for shareholders to participate, the 20th Annual General Meeting of the company is being conducting through video conferencing or other audio visual means which is in accordance with circulars issued by Ministry of Corporate Affairs and SEBI.

By now most of you would be aware of modalities for joining and participating in the meeting through video conferencing. However, for the benefit of all I would take you through the procedural and technical aspects of the meeting. The two-way teleconferencing 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 inspection of proxy register is also not applicable. The corporate members who have sent a certified copy of the board resolution to the company RTA, our scrutinizer authorizing their representative to attend and vote at the meeting through VC are allowed to attend the meeting and vote at the meeting.

We have received requests from few members to speak in this AGM. Accordingly floor will be open for the members to ask questions or express their views. This is to inform that the company reserves the rights 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 the meeting. During the question/answer session, the Chairman will announce the name of the registered speaker shareholders. Speaker shareholders will thereafter be unmuted by the host of the AGM and will be allowed to express their views and ask questions. Each speaker will be given 3 minutes and I request all the speakers to adhere to this time limit. The speaker shareholders are requested to turn on the audio and video while speaking. If the shareholders are unable to join through video mode due to any reason, the shareholders are advised to switch off the video and speak through audio mode. In the event there is a connectivity problem at speaker shareholder's end, we will ask the next speaker to join the meeting, once the connectivity improves, the previous speaker shareholder will be called back to speak. During the meeting if members face any technical issues they may call the helpline number of NSDL as mentioned in the notice of the AGM.

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Since the AGM is held through video conferencing or other audio visual means, the resolutions mentioned in the notice convening the 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 AGM for e-voting. The members can vote through e-voting from commencement of this AGM till 15 minutes after conclusion of the meeting.

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

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited (DMart):

Thank you so much, Ashu.

Good morning to all the shareholders, on behalf of the board of directors I welcome you to the 20th Annual General Meeting of Avenue Supermarts Limited. We have the requisite quorum for the meeting present through video conferencing; 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 quorum being present I now call this meeting to order. The statutory registers are available electronically for inspection by the members who are desirous for such an inspection. Before I begin my address, let me welcome the board members and the management team who have joined us for this meeting. For safety reasons as you all know we are all attending the meeting from different locations. Therefore I now request as I call out the board members to introduce themselves one-on-one. May I first request Mr. Chandrashekar Bhave to introduce himself.

Mr. Chandrashekar Bhave – Independent Director, Avenue Supermarts Limited (DMart):

Hello everybody, good morning, I am Chandrashekar Bhave, I am an independent director of your company. I am also the Chairman of the Audit Committee, the Nominations and Remuneration Committee and the Corporate Social Responsibility Committee of the company. I am joining this meeting through video conferencing from my residence in Bangalore, thank you.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited (DMart):

Thank you, Mr. Bhave. Is Ms. Kalpana Unadkat with us? Let me go to the next person, Mr. Navil Noronha.

Mr. Ignatius Navil Noronha – Managing Director & CEO, Avenue Supermarts Limited (DMart):

Hello, Good morning, I am Ignatius Navil Noronha. I am the Managing Director and CEO of the company. I am also the Chairman of the Risk Management Committee and I have joined the AGM from our corporate office at Thane.

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Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited (DMart):

Thank you, Navil. Mr. Ramakant Baheti.

Mr. Ramakant Baheti – Director & Group CFO, Avenue Supermarts Limited (DMart):

Hello, Good morning, I am Ramakant Baheti, Whole time Director and Group CFO of the company. I am participating from head office, Thane.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited (DMart):

Thank you, Mr. Baheti. Ms. Manjri Chandak.

Ms. Manjri Chandak – Non Executive Director, Avenue Supermarts Limited (DMart):

Good morning everyone, I am Manjri Chandak, the Non-executive director of your company and the Chairperson of Stakeholder Relationship Committee and I am joining this AGM through video conferencing from Alibaug, Maharashtra.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited (DMart):

Thank you so much, Manjri. Mr. Elvin Machado.

Mr. Elvin Machado – Director, Avenue Supermarts Limited (DMart):

Good morning everyone I am Elvin Machado, whole time Director of the company. And I am participating in this meeting from Mumbai from my residence. Thank you.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited (DMart):

Thank you so much, Elvin.

From the management team we have with us Mr. Niladri Deb, who is our CFO, he joined us for the meeting from the head office of the company in Thane. Mr. Deb, you can just wave out to us if you are on video, thank you so much.

The respective chairmen of the Audit Committee, Nomination and Remuneration Committee and the Stakeholders Relationship Committee are present at the AGM. We have also have Mr. Vijay Maniyar, 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 are attending this meeting through video conferencing. With your permission, I will give a brief Chairman speech.

Dear Shareholders, it gives me great pleasure to welcome you all to the 20th Annual General Meeting of the Avenue Supermarts Limited. I would have, of course, preferred to address you in person as we do each year. However, given the current situation and circumstances due to COVID-19, we are holding this meeting in a virtual format. I sincerely hope that all of you and your dear ones are safe and healthy.

The country has gradually opened up and businesses are slowly resuming activity. However, this will need to be monitored very closely over the next few quarters.

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At DMart we have opened 38 new stores during the year, and continue to deliver reasonable growth across parameters. We ended the financial year 2020, with 214 stores across India and continue with our belief in India's long term consumption story. Our expansion plans are well aligned to this and we continue to be on the lookout for locations within our clusters and outside, where we can build the stores that can service our target customers. The safety and wellbeing of our customers, employees and communities where we operate is of paramount importance to us. We are taking all the necessary steps and precautions to safeguard their health. Over the years we have been humbled by the trust and the loyalty that our customers have vested in us. We therefore consider it our duty to service their essential shopping needs during challenging times such as this nationwide lockdown. To this end wherever we were permitted locally, we continued our operations using multiple delivery channels and made available daily essential products to our customers.

As we grow, we are increasingly mindful of our responsibility towards the society and environment, we are actively seeking green building certifications for our stores using renewable energy as part of our energy mix and installing sewage treatment plants to recycle water, among other measures to reduce our carbon footprint on the planet. We continue to spend effectively in empowering the disadvantaged through our corporate social responsibility initiatives and the results of the same are quite heartwarming. This year we have helped more than 100,000 young school students in their endeavor to better educate themselves.

On the governance front we are driven by an experienced management, supported and supervised by the board that I am a part of, and a mentor whose vision has helped us scale new heights. Our efforts to deliver and grow have been a function of highly motivated workforce that remains the bedrock of our success. Every day their hard work and service mindset drive us forward. At great personal risk each of them continued working through the pandemic to ensure that all our customers continue to receive their everyday use products. I take this opportunity to heartily thank them. I would also like to mention the role of our trusted suppliers and manufacturers who play a vital role in our success and would like to thank them for their continued support.

This year as you know we completed a successful equity fund raise and our promoter also undertook a stock sell-down. The company has thus met its minimum public shareholding norm as prescribed by the regulator.

I would like to extend a warm welcome to all our new shareholders and look forward to their support in the coming years. We have a strong belief that together with everyone we hope to pass this phase and set the ground for India's next wave of growth.

As I conclude, let me take this opportunity to thank my fellow board members, our senior management team and our founder, Mr. R.K. Damani for his help and guidance in discharging my duties. I also thank and congratulate our employees who have worked so hard to deliver another satisfactory year at DMart. I would also, of course, like to thank the shareholders, business associates and other stakeholders for their continued support. Thank you very much. I now conclude my speech and we will now carry on with the business of the meeting.

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The notice convening the 20th AGM along with the annual report for the financial year ended 31st March, 2020, consisting of financial statements including the Board's report, Auditor's report have been sent to those members whose email ids are registered with the company or the Registrar and Share transfer agent or the Depository Participants through electronic means and no physical copies and notice have been sent by the company to any member. The notice has also been hosted on the website of the company. With your permission I would take Notice of the AGM as read.

The company presented Standalone and Consolidated Financial statements of the company for the financial year ended March 31st, 2020, as per the requirements under the Companies Act, 2013. The Auditor's report on the Standalone and the Consolidated Financial Statements does not have any qualifications, observations or comments on financial transactions or matters which have any adverse effect on the functioning of the company. Again with your permission I will take the Auditors' Report as read. Thank you.

I now invite the shareholders to express their views and ask questions pertaining to the performance of the company during the year under review or any other resolution placed for approval by the members. May I please request the shareholders to be brief and avoid repetition. The shareholders are also requested to express views and raise queries pertaining specifically to the Annual report of the Financial Year 2019-20 and 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 will be answered during the meeting. As regards any personal grievance, if any, the shareholders are requested to write directly to the Company Secretary or the Registrar and Share transfer agents to enable prompt and appropriate response. I shall now invite the shareholders who have registered themselves to speak, to express their views, ask questions or give any suggestions.

May I call upon the first speaker, Mr. V. Rajamohan.

Mr. V. Rajamohan – Shareholder:

Thank you for the opportunity and congratulations on yet another great year. And in fact hearty congratulations especially to the courageous DMartians for standing tall amidst the pandemic. On my query side, first is this online theme, especially in this new world and which could be basically utilized for us to structurally think about it. Basically this being a necessity, sort of necessity being the mother of invention, does this physically restricted world throw up more need for having online platform chugging on a long term basis with a caliber basically which we have displayed in creating uniquely profitable retail organization, is it so difficult as to take online on a structurally higher growth trajectory as you have basically on a contradictory side, indicated soberly to having its limitations and heading back towards your brick and mortar type of organization that you were prior to this pandemic. So I wanted to essentially understand whether you are more serious about your online strategy. And then in this context my second question would be to definitely, would be to know whether you have any strategic pursuits for any partnerships, especially with globally big tech giants like an Amazon, especially when Walmart has a play through Flipkart and Reliance is ramping up big, wouldn't Amazon be interested in taking a stake in Avenue. Are you open to such possibilities, more so when you have indicated to in-house limitations in online and when online is becoming structurally important, I would basically want an

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objective answer from you, Navil, whether you are open to tying up with a company like Amazon. My third question is on store additions. Though there may have been some spillover in store additions from your last year, the store additions have gone up significantly to the higher 30s kind of close to 38. So are we moving in this upward inclining trajectory wherein over the next 5 years we would be stepping up and heading towards the 40s per year store additions and 50s per year store additions, post this Covid hiccup. Next is the sizes of these stores have again gone up significantly 20% to about 50,000 sq ft. Will this be the new norm as we go into further tier 3 and 4 areas where land is cheaper and we would see the average new store size going up further on a steady basis. In this context and with your, this is my next query, in this context and with your larger national footprint now and thereby more recognisability of this supreme model of yours, any objective assessments about quicker breakevens for new stores like how soon would a new store would be maturing and breaking even compared to say 2 years back in 2018 and say 5 years back in 2015. Next query is though you may not want to comment on a competitor but from your vantage point, I wanted a holistic view, in an infrastructure deficient country like India how difficult would it be even for a supremely efficient organization like Reliance who physically has a seamless connectivity with the Jio Mart model tying up with kiranas, etc. Is the market blindly over enthusiastic about this Reliance journey and its spillover impact on D-Mart. Next query is though you have repeatedly stated to the huge opportunity for organized retail to be worried about competition, have you seen the juggernaut of Reliance specially after the Future deal with more focus on grocery, there they creating a probability of any negative impact in the form of more competitive intensity and thereby ability to drive margins higher; if not now, would it still be a possibility say in the short to medium term of you not being able to further ramp up on your operating leverage due to larger scale. My final question is after these 4000 odd crores of QIP that you have raised in February do you think we have reached a stage wherein all future store additions, in the foreseeable future at least would be funded with internal accruals. Also any guidance from when would we see operating cash flows turn sustainably positive. Thank you for the opportunity and hope you are all safe.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited (DMart):

Thank you, Mr. Rajamohan, may I request Mrs. H. S. Patel to speak to us.

Mrs. H. S. Patel – Shareholder:

Good morning to you respected Board of Directors, Mr. Damani Sir, Mr. Noronha, Mr. Baheti, our group CFO as well Ashu Guptaji and our CFO, a very good morning to all of you. At first in the starting I would like to say that I support all your resolutions especially resolution number 2, 4 and 5. It is in creditable, it is highly appreciable and my sincere respect and gratitude to each and every employee of your DMart, associates of your DMart management team and the board of directors for the courageous and dedicated service that you all have given at the time of Covid, especially the 4-5 months of Covid and especially the time of April and May to ensure that the essentials are available to the public at large, I really salute your people who have worked very hard for us. Sir, it is also indeed very creditable that many of your directors are holding quite a good amount of shares in the

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company, it makes us very comfortable. Baheti is holding almost 27 lakhs of shares, Noronha holds 131 lakhs of shares and Machado is holding 3 lakhs of shares. Sir, I am a very small indigenous shareholder, I respect this company very much and I would like to add some more shares in my portfolio of DMart. But the share price is increasing in leaps and bounds. It's now touching 2100, it's very nice to know that I hope it touches and goes even more higher and higher. I am interested in, not, of course, this year at least in the coming year do you propose to give us any bonus or you propose to split the shares because I am very frankly interested in adding more shares at my portfolio. When I visit the DMart store in Powai and Andheri and when I visit your DMart App Stores, mobile app stores I find huge difference between the two. Of course, not only the area wise, it is the availability of the product, the categories of various products are superb in your stores. Innumerable varieties of biscuits, namkeens, chips whatever, all eatables/non eatables items are there but in your mobile app we hardly find that variety being seen in the mobile app. If that also if you can include all the varieties in the mobile app it will be much better and easier for the consumer to order online and it would help increase the value of the company. Sir, many people are worried about the merger of Future Retail with Reliance. I feel that our management is very strong and our business model is very unique to survive and thrive even in this huge competition. Sir, what is your daily cash burn and how much is your, your inventory level has gone up this year, of course, it may be definitely due to Covid but what is its impact and how do you, what provisions is the company making to recover this inventory. Sir, what are your views regarding the Reliance merger and will there be any strategic change in our company for that merger. Sir, your cash and cash balance have reduced considerably, what steps the company plans to improve that and what are the reasons for this reduction in cash and cash balance. The company has worked, the employees have worked very hard to bring down the in debtness considerably from 695 crores last year to 39 crores but still the 39 crores in debtness is there. Inventory level has gone up, depreciation level is also very high. I feel little tension, if it is paid it would be better. Our revenue income and profit and EPS are very good, it's upwards. Under your leadership, Mr. Damani Sir, DMart is doing very well and I hope that you stand as a, DMart stands as very tough competition to any of the other giants in the vicinity. Sir, I just want to draw your attention that from Churchgate or VT to say Bandra or Khar there are no malls. Like Big Bazar was there that has also closed. Now Jio will come, I don't know in what way what they are going to make. DMart we have that app shops, small, small app shops but one I would like to draw your attention that ask those shop people to keep that shop open at least 8 hours. They are keeping hardly for half a day or quarter of a day, or three-fourth of a day, let it be open throughout the day that is very important. Supposing we are going early in the morning at about say even 8 o'clock, it's not very early but 8 o'clock the shop is closed. We are not getting milk, we have to go in other shops to bring milk, bread. The main ingredients let it be available at your shops, innumerable people will come and take it from your shops. It's a really bulky or these are bulky products, very easily saleable every day. Please I request to draw your attention that the shops be kept open at least for 8 hours, 8 long hours. It is a blessing that, DMart is a really blessing that you have come out with. I even congratulate Mr. Noronha and also other directors of the board for making this company a very good and reliant company and I hope all the best for the company and all the best for all your employees. Thank you.

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Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited (DMart):

Thank you so much, Mrs. H Patel, for your very warm words, thank you. May I now request Mrs. Lekha Shah to address us.

Mrs. Lekha Shah – Shareholder:

Respected Chairman Sir, Board of Directors and my fellow members; very good morning to all of you, Lekha Shah I am from Mumbai. I am very much thankful to our Company Secretarial department for extending very good investor service and also sending me the Annual Report by email well in time which is full of knowledge, facts and figures in place. Due to pandemic Covid 19 we all are facing crisis and have to stay home. Thank you, Chairman Sir, for explaining us well about the company. This is the first time we are joining the video conference for giving speech before 1 week and today also our director, Mr. Elvin Machado, he has phoned giving guidance and proper introduction for attending the meeting through video conference, I am very, very grateful to our director Mr. Elvin Machadoji. On this festival of Ganesh Chaturthi I will pray that Lord Ganesha showers his blessing upon our company. I am happy that company is doing very well in the field of CSR activities. Congratulations to all for excellent work, sir. Sir, I would like to ask few questions, how is the company preparing in a post Covid world. Second question what are the learnings from the lockdown and how is the company implementing those learning. Third is how are we engaging for our employees. Sir, I wish our company good luck for a bright future and I support all the resolutions, thank you Sir.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited (DMart):

Thank you, Mrs. Shah, for your warm words and for your questions. May I now request Mr. Aspi Besania to address us.

Mr. Aspi Besania – Shareholder:

Congratulations on very good results for March 2020 and 1st quarter was bad but that's understandable. Sir, my question is Reliance Retail is now almost 8 times in value terms compared to DMart and if you see the segment wise it is twice the sales of Dmart. So how do you propose to face the onslaught? So then how much percentage of sales come from own brands and from E-commerce. Sir, coming to our delivery points, when the unplanned lockdown was imposed on India there was shortages and I tried to order online from DMart. But unfortunately I just could not order anything online. At that delivery points of Dadar East, Dadar West, Matunga, Mahim, Wadala, Parel everything everywhere it was shown us not available, not something, not reachable or something like that and somebody suggested you go in the night and check and even in the night at 12 o'clock, 10'clock at night even at that time it was not available. I would like to know how these things are not available, then what is the sense of having those things delivery points. Even I could not collect it, that also I couldn't collect, I didn't get delivery at home also so what is the problem with your online thing. Can somebody please explain that? And then at the time Jio started so I pounced on

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Jio and that's the end of it, then I never even bothered to even look into DMart side. So please see to it that DMart gets its dues properly. Although I am a shareholder of DMart unfortunately I could not buy from DMart. Sir, thank you and all the best.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited (DMart):

Thank you, Mr. Aspi, thank you so much. May I request Mr. Kirti Shah to pose his question.

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

We are unable to connect with Mr. Kirti Shah, we will connect with him after all the speakers have raised their questions, we can now take the next speaker on line.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited (DMart):

Okay, the next speaker is Mr. Ronald Fernandes, may I request Mr. Fernandes to come online.

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

We are unable to connect with Mr. Ronald Fernandes also, we will connect with him after all the speakers have raised their questions. We can now take next speaker on line.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited (DMart):

Thank you, Ashu, may I now request Mr. Dinesh Bhatia to ask his questions.

Mr. Dinesh Bhatia – Shareholder:

My name is Dinesh Bhatia, you already mentioned that. First of all, to you and to your full team I give my congratulations that in spite of the Covid situations our company has maintained profits and which is matter of pride. There is one thing that the dividend that you have not given, and the shareholders always hope for dividends, you have not given any dividend but we are seeing that the share capital that is there, last year was 624 crores and this year it is 648 crores and the reserve that is there has doubled than last year. The reserve of ours which was 4970 crores as against that this year it is 10,487.75 crores which is more than double. So because you have not given any dividend, so are you thinking of giving any bonus that it is 20 years now or do we have to wait for 5 years more that till the silver jubilee year. The second is that even if you don't want to give any bonus then I agree that our shares have appreciated a lot which shows the improvement of our company. So last year our average share price which was around 1,500 but today our average price which is there is around 2,100 – 2,200, this is a 50% appreciation which shows a good planning of our company. So I have a request, that way you also are knowledgeable of the share market and you must be aware that this 10 rupee share if we split it to 5 rupees or 2 rupees even then what happens is that the liquidity of the share will increase. If the liquidity of the share increases, then the value of it in the market will also increase and so everyone will get the

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benefit. We are small shareholders but, sir, you have got 75% holding which shows a complete belief in the company in which you have as promoter have 75% shareholding. So this is one of our request that either you think of a split or of bonus so that the liquidity increases. The second thing what we see is our company's CSR you are using it well, like in schools whatever you are doing is very good even I believe that today's child is going to be tomorrow's citizen. If they are educated and knowledgeable, then our country will progress ahead and so this thought of yours on the maximum use of CSR in schools for that too we are proud that our company is not only on earning but also thinks about donations and CSR activities and they are doing a fine job. Sir, I have one question for you about our subsidiary, Avenue E-Commerce, our share capital in that is 216 crores. All subsidiaries are making profit, though there is one small one which is in loss. But in this we are bearing a lot of loss. This which we started on 2nd of February this subsidiary, it may be that because the current scenario demands E-Commerce, but the loss on this for the year is 79.71 crores which reflects in our business. While our finance department and the board of directors are all good people, there is no question about that, but I am just giving you a suggestion that if you could please check out why we are facing a loss on this and see to it that there should be loss on that. And the rest of the things are all excellent, the board of directors of the group are all very good, and it will not be possible to praise all of you at this meeting. And I also salute the secretarial department who try their best to make sure that more and more shareholders attend the meeting. The help that they have provided to attend the meeting through video conferencing and the request made by them, I would like to thank the Secretarial department and the other members. This is a really good thing. I support all your resolutions. Thank you.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited:

Thank you Mr. Dinesh, you have supported us. Thank you very much. May I request the next speaker Mr. Arjun Vidhayar to address us?

Mr. Arjun Vidhayar – Shareholder, Avenue Supermarts Limited:

Good morning Sir.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited:

Good morning.

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Mr. Arjun Vidhayar – Shareholder, Avenue Supermarts Limited:

Sir today's era is, in a way you can say the era of social media, so Avenue Supermarket should also have an account on social media – in Twitter or Facebook [No audio] so that people can connect with you easily and you can also know the review of people about our company. And sir, the next question is [No audio] a mall in front of Jubilee Foods why has that been closed? Thank you sir.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited:

Thank you Mr. Arjun very much. May I request our next speaker Mr. Ravikumar Naredi to address his queries?

Mr. Ravikumar Naredi – Shareholder, Avenue Supermarts Limited:

Respected Chairman and my investment guru Sri Damani sir, MD sir, eminent Board of Directors, employees of company and highly respected Sri Radhakrishanji Damani who promoted this great company and fellow shareholders. Sir, what is the plan for growth in stores this current year? By end of August what percentage of sales we achieve pre-COVID levels? Are we still following to acquire assets first then start D-Mart store or we are changing theme and acquiring building on rent? Avenue E-commerce [No audio] loses every year. So what we learn from this model and where we are losing money, say few words for the same. On 52 page number of annual report, annexure 6 B, company has allotted 100 [No audio] 3X but these figures I didn't find in borrowing [No audio]. We have allotted [No audio] to different persons but these are not [No audio] borrowing. As you all are intelligent person of the company, I hope you will all [No audio] share and not give any bonus so we can follow Berkshire way. So maximum intelligent investor can hold share for long. Thanking you very much in giving me the opportunity.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited:

Thank you Ravi, thank you so much. May I ask the next shareholder Mr. Yusuf Rangwala to speak?

Mr. Yusuf Rangwala – Shareholder, Avenue Supermarts Limited:

Hello Chairman.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited:

Yes, go ahead.

Mr. Yusuf Rangwala – Shareholder, Avenue Supermarts Limited:

Our respected Chairman, Good morning to all. Hello, can you hear my voice?

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Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited:

Yes I can, go ahead Yusuf.

Mr. Yusuf Rangwala – Shareholder, Avenue Supermarts Limited:

Good morning Sir. I am very thankful to our Company Secretary Ms. Gupta and her team for giving me a chance in COVID-19, I am very thankful and I am very happy with this video conference which you have done. This is the first time we are going on a video conference sir. Sir, this year due to COVID-19, our company has not declared a dividend. This is the first time in the history sir we are not in the dividend list. Otherwise sir this is the 20th Annual Meeting and never you have scrapped the dividend, sir this is the first time. I understand this is due to COVID-19, you required cash and that is why you have not given the dividend. I am supporting you in this time. Sir, as just two day's back we are the third largest as you mentioned in the economic paper and how many new store you will be opening sir, this year? And sir, at present sir how many are owned with us, and what is the plan regarding on new group order? Sir, D-Mart product...I visited D-Mart at Kanjurmarg sir. I am very happy with the services you have given, every products were discounted and comparing with others our products were very discounted sir. So this shows how you are caring for the shareholder and people also sir. And sir, this is year a humble request, if you issue a discount coupon for example, 10% on purchase of Rs. 1000 so that will help our company to goodwill and also that will help us shareholders so that we can [No audio]. I wish our company for all the festival and sir I would like to [No audio], [No audio] private limited I would like to know. Because previously sir, I was at the annual meeting, the [No audio] for the people. Sir whether they are not the agent of the [No audio] private limited sir, I would like to know. And nothing more to add. Sir, I have one more thing. Sir, the shares given for Rs. 300. Now it is valued at Rs. 2100. This shows how the people have become good money in your portfolio sir. Sir, this is the 20th year, and after 5 years we will be completing 25 years. In this 5 years gap whether we can expect the bonus from you 1:1 in this 5 years gap sir and what is the plan for the 25th year which is 5 years ahead, in advance sir I would like to know. And nothing more to add I end my speech, thanking you sir, thanks very much sir.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited:

Thank you so much Yusuf. May I request the next shareholder Mr. Deviprakash Saxeria to address us?

Mr. Deviprakash Saxeria – Shareholder, Avenue Supermarts Limited:

Hello, are you able to hear me; are you able to see me? Is the video coming?

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited:

Video no, we can hear your audio clearly.

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Mr. Deviprakash Saxeria – Shareholder, Avenue Supermarts Limited:

Okay, fine. Good morning respected dignitaries. I am Deviprakash Saxeria from [No audio]. Thank you for giving me the opportunity to put my views sir. Firstly, congratulations and thanks to the entire team, including all employees for managing to keep the flow of essential commodities going on, more or less totally with some hiccups during the unprecedented disruptions during the lockdown. Were it not for the retail chains, customers would have been fleeced by the shops with jagged up prices of many essential items of daily need. I did not know that Damaniji had such excellent umpiring skills. During the lockdown I could get to see the series of his talks with many global players on CNBC TV 18. It was a great talk show sir! It should have won an award.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited:

Thank you so much.

Mr. Deviprakash Saxeria – Shareholder, Avenue Supermarts Limited:

Sir now my query is lockdown related and so it is actually about the first quarter of the next fiscal that is the FY 2021. I wish to know how much reduction approximately in counter sales has the chain suffered during April-June 2020 period, and how much of [No audio] was made up by online sales including D-Mart trading? What is our peak online orders number per day and what is the average per day, if available? Secondly sir, I have a humble suggestion. Since lockdown, many customers have moved from store visits to online ordering due to fear of COVID. Now we have an ever expanding chain of D-Mart direct delivery points. These are now almost like a neighborhood corner shops and one such store should be opening any day just a few meters away from our home Shiv Sector at Sector 17 Vashi, it is ready but the shutter is shut since more than a week. But sir, why have we still maintained the premium orders as requirement of Rs. 1000 for that even now? The tempos coming to our ready stores from the warehouses easily get the full load. Even otherwise there are many other stores within a distance of say 2-3 kms which the tempos can simultaneously service. So why not reduce the minimum order size requirements for pick up points to say Rs. 100 or Rs. 250. It should increase the direct sales many fold. Customers who are hesitant to come to the store due to fear will find it easier to order their regular small requirements too. You will not incur any additional cost, maybe you can give another delivery period for smaller orders, say 5 days for better aggregation of your tempo load. It will give you more time to get the full tempo load, if at all that is the concern. It is the customer who has to come to the pickup point every time so he will not unnecessarily go for smaller loads. I am only referring to reducing the limits for D-mart Ready and not for home deliveries. I am sure that you would be aware that another large competitor chain who is relatively new in the business but has now taken over the pioneer of retail chains is home delivering without any minimum limit or any delivery charges. I got a [No audio] coconut delivered last week without any additional charges. Another international chain is also breathing down our neck so sir, please consider this suggestion for early implementation if possible. We have an early lead and better reputation in pricing and

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quality which can be encashed by translating into higher sales and maintaining the lead and good will.

Sir my next point is about the difference in pricing between actual store grab and online ordering. I am mostly shop from Kopar Khairane D-Mart or Juinagar Station West which is called as 'Sanpada D-Mart', both are almost equidistant from my place. After my last purchase from these two store last month, I checked the online prices the same day and was surprised to find the difference in some items online being higher. If we have a dedicated e-mail contact to address these concerns it will help, I can pass on the information. Sir the customer service e-mail ID – customerservice@dmart.in seems to be non-functional. I have not received reply even after 7 days of my e-mail to them. Are they accountable to answer in a time-bound manner or at least acknowledge that they have received the query concern or a concern? Is there any senior manager looking into this?

And Sir, next many years ago I used to purchase medicines too from our stores at a discount. Do we have any plans to restart the pharmacy products? The space is already getting too crowded and requires a totally different skill set. Lastly sir, I have brought this problem to the notice of the senior staff many times at both the above store but the problem still persists. Just above most of the cash counters, we have over hanging signage which are badly designed in size. Their corners hit us in the eyes when we are busy doing the billing. And this is particularly true for tall persons say above 5"7'. If one is not wearing specs it could cause a bad injury. Any tall person from our management like our MD and CEO can do a dummy billing at the counter to get a first-hand experience. [No audio] the length of the hanging string or the height be strictly monitored. I request that we should not get complacent about our reputation but strive to encourage the customer feedback. Finally Sir, I would like to have a print copy of the annual report sent to me if possible. Thank you.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited:

Thank you so much for your warm words Mr. Saxeria. May I request the next shareholder Mr. Gautam Tiwari to address his query?

Mr. Gautam Tiwari – Shareholder, Avenue Supermarts Limited:

Chairman Sir, am I audible?

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited:

Yes, you are Mr. Gautam.

Mr. Gautam Tiwari – Shareholder, Avenue Supermarts Limited:

Okay sir. Maybe I am visible also?

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Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited:

Yeah, now you are visible also.

Mr. Gautam Tiwari – Shareholder, Avenue Supermarts Limited:

Yes sir. Sir, first of all Good morning. Very, very good morning to all my distinguished directors, founder, chairman, Mr. Radhakrishnan Damaniji, even Ramesh Damani and Mr. Noronha and all our Avenue Supermarts team, and fellow shareholders. Sir, I am very happy to express my opinion about the way you are doing the business at a very excellent, very good quality at a very reasonable price. Our general analysis has shown that you are the most popular amongst the more than 80% of the customers, total overall customers who are shopping at your end, and in fact those who are shopping at our shops of D-Mart a great percent customers are feeling more than satisfied and more than [No audio]. For this I really congratulate you [No audio] from the customer community of Bombay and nearby regions especially here in the urban section. Sir, out of...to understand, my appreciation about the working of the company I have got, some small queries in my mind. Sir our capital equity is low but [No audio] as reserves. But we have, for the first time not given any dividend. Sir, in order to remain on dividend list is very important. So even if you would have given small dividend I think which we could have really be in a position to...it would have [No audio] and if it would have been declared we would have been continuously on dividend list. Anyway, you are better known for your business and excellent acumen of business since you have [No audio]. So I am very sure whatever you are doing you are doing not only in the shareholders' interest but in the interest of the general public at large also.

Sir, I would like to know how much is the decline percentage wise business due to lockdown pandemic situation globally? Sir, we would know like to know that...please enlighten us about our online strategy of business but even your offline business you are taking very good care of customers and everybody is having a word of appreciation for the type of care that you are taking in [No audio] during the actual and physical visit of those stores. With good safety coupons and limiting or giving the time bracket to each customer. Sir, we would like to know how many of our stores presently are on lease and how many of them we own. And what are your plans...sir, haan pharmaceutical, these products or business many customers are asking for that and many have requested me to ask you as to when are you going to open the pharmaceutical section products in our stores? Sir, a lot of congratulations for which I do not have the words to express for the way of working and the way he has prospered the stores and has brought and to Radhakrishnan Damani also sir, our entrepreneur, he is a God-Like person and we have got lot of his and we really [No audio] him and to you also Mr. Rameshji for the way you have started this enterprises and have brought it to the profitability and at the same time by giving excellent service to all the customers and [No audio].

Sir our share price, our share price is now has been more than (+) 2000 and in the form of share price appreciation you have already rewarded the customers, so there is no crying or there is no dislike about not giving the dividend. It was only because we were [No audio]

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we could have remained on the dividend list that is why I have spoke. Otherwise you have already rewarded all the shareholders and even the public by giving the best of the products at the most reasonable prices and even the share price even to all the shareholders also. And sir we are very sure we are always supporting you and even now also supporting you. Here I must not forget to mention that our Secretarial team Ms. Ashu Gupta, Anita and all others are very good. And with their co-operation they are giving very good investor service and they have given good guidance and [No audio] for joining this meeting, this virtual meeting this way which is happening first time and our all total team is very good and your overall working and your overall way of doing the business is really salute to all employees, customers...for all employees [No audio] those who are working with your officers, managers and all the staff for giving excellent, committed, sincere, honest and day to day service even in this, even during the pandemic season and also now during the unlocking period of pandemic, slowly, slowly step-by-step now also. I wish you a very bright future and I am a good supporter of yours right from day one and shall remain with you till we exist on the earth. This is our assurance, not I only, thousands of others persons are there who have requested me to speak about you and we will always be there for you and we always wish you a very long, happy, pious and a successful and secure future. Thank you for patient listening.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited:

Thank you so much Mr. Tiwari for your warm wishes and thoughtful questions. May I now request Mr. Chandravatti Gattani?

Mr. Chandravatti Gattani – Shareholder, Avenue Supermarts Limited:

Namaste, hello?

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited:

Hello

Mr. Chandravatti Gattani – Shareholder, Avenue Supermarts Limited:

Hello. Namaste Sir. Mr. Damani sir, a very big Namaste. I am also from [No audio] society, and the two richest and powerful people and philanthropists from our society and philanthropist I would say one is you and Kumara Mangalam Birla sir. Sir, I got to see your name amongst the list of richest Indian, and you are the second person in February 2020.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited:

Let me just correct. It is not me, it is Radhakrishnanji Damani, our promoter.

Mr. Chandravatti Gattani – Shareholder, Avenue Supermarts Limited:

Hello?

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Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited:

Yeah go ahead Mr. Gattani.

Mr. Chandravatti Gattani – Shareholder, Avenue Supermarts Limited:

Sir I was also allotted the shares of D-mart through a very good company at 299 on March 2017. I had invested Rs. 14, 950 so according to that today I am a lakhpati [No audio] it had fallen down but I am a lakhpati now, and you made me one [No audio]. Sir I have few queries, there are so many positives of our company. Our Company Secretary Ms. Ashu Gupta is a nice lady, even though I have not met her and not gotten any call from her. But her team called me many times and mailed me, today too. So this credit goes to Ashu ma'am. So Ashu ma'am I will expect one call from you. If you find me positive or whatever it is. I am Chartered Account [No audio], I am a [No audio]. Sir, I have few queries. Let me have that queries and the positive together sir. With respect to news sir in Calcutta I couldn't find any new news about D-Mart. I belong to Kolkata. I go to Big Bazar and Spencer here and according to me our D-Mart will also be like that and now Mr. Mukesh Ambani of Reliance bought Big Bazar. So now since [No audio] what is the competition that you see for yourself? Mr. Mukesh Ambani as literally [No audio] of Airtel, Vodafone and others as well. You are someone who is wealthy and really good but what I have seen is where all you have D-Mart, you buy the land at a cheaper price and then build D-Mart on our land. Hence you are able to compete. I have read all your biographies and seen all your interviews.

My second query is will you open D-Mart in Kolkata? Please one shop [No audio] we will also go there and purchase. And sir, now the positive part. Just a second sir. Because I have been allotted three minutes our net sales is Rs. 24, 870 crores is very good sir, compared to Rs. 20, 004 up by 24%. Profit after tax is Rs. 1300.98 crores is very good up by 44%. The company paid up its long term borrowing of 125 and a short term borrowing of 295, very good sir we have become a debt free company. Our company takes really good initiatives like the reading fare, scientific learning, habits of cleanliness and hygiene. These are a result of your thoughts sir. I have heard a lot about you sir. I go to Rajasthan quite often, there is a place close to Bikaner [No audio] and you are quite well known there sir. And now I have got some queries sir. This time the dividend was not declared by the Directors, why sir? One amount pending against the company as statutory dues R. 4.82 crores. I am assuming it is the pending service taxes and etc. sir? Next the expenditure made in foreign currency Rs. 626 crores, sir even though [No audio] is Rs. 5 crores, why this sir? [No audio]. Sir this time the results are good, is anyone asking for any bonus or anything else? [No audio] I have 500 shares at the rate of Rs. 522. They gave us rights issue at the rate of Rs. 50. Now it is going at the rate of Rs. 250 even then I earned Rs. 100. [No audio] yesterday yours was down 2248 you can take the rights issue at the rate of Rs. 500 or 600, you will also earn [No audio] and it is good to remain cash positive in the future. [No audio] I will wait for your reply sir. Sir I wanted a visiting card of yours sir, Damani sir. I will feel good that if one of the Mistry holds your visiting card. You are so rich, thank you very much sir.

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Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited:

Thank you Mr. Gattani. I will just clarify one point that while I am the Independent Director, the promoter of the company is Mr. Radhakrishnan Damani. Anyway thank you so much for your kind words. May I now request Mr. Vikas Kasturi to address his queries?

Mr. Vikas Kasturi – Shareholder, Avenue Supermarts Limited:

Hello sir. Sir first of all I wish to congratulate the management for staying so focused on building the business. I have just one query which is already been asked by the first speaker but I will still like to repeat it. In the CEO's letter to the shareholders, the CEO said "Avenue Supermarts Limited would like to focus on what it is good at turning brick and mortar store business." Sir, I have a request that you focus on the online grocery channel as well and I have two reasons for that sir. The first one is the more affluent customers are going to seek online grocery shopping because it is convenient and time saving. I am a shareholder of D-Mart yet I have never shopped in D-Mart, right. I purchase all my groceries online, right, and I think over time D-Mart will attract the lower income customers whose propensity to spend would also be lower whereas a lot of the affluent customers are going to shift online. This is similar to what happened in the US. So for example, Wall Mart attracts more customers from the poorer states and poorer backgrounds than Amazon. I have a second reason to request you to focus on the online business. So this pandemic has exposed fragilities rather businesses which had over reliance on one supplier or one customer, or one location, one sales channel etc. right. But businesses that had more diverse supplier base or customer base have been able to ... [No audio] faster. So I request that you add an online channel in addition to offline channel as well. This was the only question I had. Thank you sir.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited:

Thank you Mr. Kasturi. May I request our next speaker Mr. Shabeer to join us?

Mr. Shabeer – Shareholder, Avenue Supermarts Limited:

Hello?

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited:

Yes go ahead. Go ahead Shabeer Bhai.

Mr. Shabeer – Shareholder, Avenue Supermarts Limited:

Yes sir. First of all I want to thank the Secretarial team for giving me this opportunity to speak at this AGM. I want to ask three quick questions sir. One is, I would like to know the company has not entered into door-to-door services. You must be aware about the newest and most competitive competitor Jio Mart who has reached the customer through door-to-door service. I am a customer from...in the last 3-4 years I visit D-Mart for day-to-day shopping and everything, if we are taking...buying anything and everything from D-Mart. But

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this time in this pandemic situation, I had to order from Jio Mart because they deliver at home. So I request D-Mart to may be not today, maybe in future maybe after 2-3 years down the line we could have a set up to reach to the customer there. Second question is Sir, I would also like to advice the company [No audio]. The company should also acquire companies which are operating similar business so that growth rate will be faster for the company. Lastly the third question is I would also...can you tell me the name of the investor who are invested in the [No audio] holding more than 5% besides the [No audio]? I want to know the holder who are holding 5% [No audio] Company since IPO. I have all faith in the company, thank you sir. Thank you for this opportunity.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited:

Thank you Shabeer so much. We have finished the list of questions. So we go back to the ones that didn't get a chance. Ashu can tell me if Mr. Kirti Shah is able to join us?

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

Sir, Mr. Kirti Shah and Mr. Ronald Fernandez, both are unable to join us. So we can continue the meeting.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Limited:

Okay. So with this, Shabeer Bhai we have received all the comments, all the questions from the registered speakers. May I know request Mr. Noronha, Managing Director and CEO of the company to respond to the questions raised by the speaker shareholders and those received by e-mails thereafter. Thank you all for your questions.

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

Thank you Sir. I am going in the order of the questions that were asked.

First was from Mr. Rajamohan. So we did open 38 stores last year but is that an indicator of forward looking uptick in store openings? No. We have categorically commented even in our analyst meet that this year will have muted store openings primarily because of the pandemic and for the first 3-4 months everything was shut down. So a lot of stores where we had planned to open this year will not open and they will get pushed on to the next year. This year the number of store openings will be significantly muted. Also, we do not give any forward guidance to store openings because of the nature of the business because we buy land and we construct the buildings ourselves. So giving an accurate number in terms of the store openings will not be possible. We try our best to be slightly better than the previous year every year and hope that continues. On online, obviously because of the pandemic, the need for online services or anything that could reach home faster, safer, without the customer coming out of the home was in great demand and we understand that need. So we are working on an online project. We have a small business primarily in Mumbai called DMart Ready, and we are doing whatever is possible to reach customers through this channel. But I would just like to make one point. It took us 17-20 years to build

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the brick & mortar business and now there is too much of excitement and push for DMart to do everything in the shortest possible time from the online channel. What we are trying to say is that, there is no limitation in our ability to do online, but it will not be as good as the way we do brick & mortar retailing. And, our principle has always been to focus on what we are good at. And that is why; our focus will continue to be on brick & mortar. Online will be done by a separate team which is running it independently, separately and depending on the opportunity that we see, we will expand that business. So it will be one day at a time or one month at a time, or one quarter at a time. We are not going to do a big bang. We did a big bang during the pandemic, we had activated online in almost all our 214 stores. So the ability is there to do it, and we did it when the consumers really needed it. But, from a pure business perspective, we are a very conservative company and we would like to evaluate all possibilities before we get into this channel. So, we appreciate the need for this and we are looking at it.

On any strategic partnerships or tie-ups, I don't think we have anything to comment on that. From time to time we evaluate, but we have nothing to comment on right now. And we have a small but good team, and it is serving the purpose from our online perspective for the current scale.

On sizes of stores being larger, yes, our future stores will be relatively larger than what we already have. That is because we are more confident about the business and we are able to drive more revenue from this business. Physical infrastructure is a limitation of the business, right? Because we are doing better in our brick & mortar business, we are opening larger stores. That allows us to have more revenue for the future, our CAGR growth rates get better, and that is why we are having larger stores in the future.

As far as break evens are concerned, it is very difficult to give a very clear direction. Break evens can be different in different cities. It needs a lot of evaluation, not everything goes as per plan, some locations do better than our expectations and some locations do not do as good as our expectations. But in total, I think we are very glad with the way we are investing. The simple direction we have is, we like to invest more capital in markets we understand better. So wherever we already have a store, we would like to have more stores there because we understand that market both from a business perspective as well as a real estate understanding.

Another question was, how is competition impacting us? And this is a question that is repeatedly asked. I think some people may be tired with my response, which remains the same – The market is very large. There is lot of fear that with excessive competition profitability may go down or whatever. In the last 3, 4 or 5 years that we have experienced, the competition is there. The pricing, discounting, activities keep on happening. But, the discounting doesn't become so bad that you lose a lot of money. That's simply because the size of the market is very large. So it is not impacting DMart in any manner so far, is the comment I would make as far as hyper discounting or competition is concerned.

We don't have stores between Churchgate and Bandra (Mumbai). This is primarily because these are areas where real estate is very expensive. That is why we do not have a typical DMart store there. But I request Ms. Patel to shop through our Online app and she is doing it. She's shopping from these small DMart Ready pick up points, and that is why we have

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these pick up points in high real estate areas. So that would be my response to that. And, I am sorry if you had some issues with our people or availability there. We will try and make it better for the next experience that you would have. I will personally look into it.

Then there were questions on dividends. We are in a growth phase as a business, and the board feels that it is best that the monies are invested back into the business. In general, the business is good, we are doing well. We feel that it is best that the profits are reinvested in the business. From time to time the board makes evaluations around this, and in future too they may decide what is best for the shareholders.

Then there was a question about why ecommerce has losses? Yes, the ecommerce business is housed under a separate company called Avenue E-Commerce Ltd., which is a subsidiary of Avenue Supermarts Ltd. This is primarily because the head office costs are large. It takes some scale for the head office costs to be apportioned to the overall business. So this will not see profits for a reasonable time. That is one of the reasons why we are going very slowly here, we want to evaluate the business model and see whether it is workable to scale it up. Ecommerce has a lot of tech engineers, tech teams, so the head office is very large. So that's the reason why it is not making profits.

Then there was a question of one particular store in Mira Road, why we have shut it. The Mira Road store is probably our first shut down. We have converted that into a fulfillment center for ecommerce. So for all those who are wondering why we are not doing anything on ecommerce or why are we not doing much, this is one indicator of the opportunities we see. So that is one store which we have converted into a fulfillment center which is servicing ecommerce orders of that region.

Then there was a question of how many stores were rented v/s owned. As end of March 2020, we have 214 stores, of which 27 are rented and 187 are owned.

Then there was a question about how much did we lose due to the pandemic? I will just give you a broad note. I have mentioned a lot about the pandemic through various releases over the last 4-5 months, but I will just give you a brief outline. Last quarter we were down by 33.7% as far as revenues were concerned. But the maximum loss or most of the loss happened in April. The business is slowly creeping up and getting better and better. People are coming back to the stores. We have not yet reached pre COVID levels, but we are pretty optimistic that things will get better. The needle is slowly moving. Slowly, but it is moving towards the pre pandemic levels. And, the loss of offline sale was not made up by the online business. Even though we activated all the 200 stores during the peak of the pandemic, we did not make up. The throughput that we do from the stores is very high, and it is extremely difficult to get that entire revenue back through online in such a short period. Also, we have withdrawn online from all these 200 stores because the lockdown measures in the country were relaxed and customers were allowed to walk in to stores. We are taking all the necessary precautions for all our customers and employees to ensure that shopping in a DMart store is absolutely safe. And because of the level of sales that we do in our stores, we can't do both. We can't do online and brick & mortar from the same location and that is why we withdrew ecommerce from all the other stores.

And somebody commented on online prices and offline prices being different. Yes, they are different because they are two independent businesses operating in different forms and

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with different assortments. The online assortment is a very sharp, small assortment and we don't intend to have exactly the same prices. While the ethos of DMart will remain, it will not necessarily be the same prices.

Mr. Seksaria, I am calling out your name to specifically mention that you have written an email to us and you have not got a response. We will ensure that it is addressed on time. And all your queries and worries around your issue will be resolved.

Plans for pharmacy – multiple people have asked this. We have no such plans right now. Like pharmacy, there are so many other areas of business that we are reviewing from time to time, and whenever we see an opportunity, you will see from our activations in the store. But currently we don't have any specific plans for pharmacy yet. And we will take care of the cash counter signage. You will see that happening within a day. We will get that corrected tomorrow.

No DMart in Kolkata – that is primarily because we like to be closer to where we operate. When the time comes, once our cluster strategy allows us to slowly reach toward the east of India, we will go there. But currently we see a lot of opportunity in the west and south of India and a little bit of north, and we will continue to put disproportionate amount of our investment, time and energy in these parts. This is a very low margin business and it needs to be operated with very focused view on cost, and hence we would like to do bulk of our investments in these regions. So Kolkata may have to wait for some more time.

On foreign exchange, last year there has been INR 626 crores of outflows of foreign exchange. This is primarily because of traded and capital goods that we need to bring in.

On the online question, again, I am coming back to the online v/s offline conundrum discussion that constantly happens here. Yes we know that the more affluent like to shop online and we need to pay attention to online. My reassurance to our shareholders is once again that, we are not ignoring the opportunity of online, but we may see it as an inability of being very fast. We don't intend to be the fastest; we cannot be the fastest; that's probably our inability. But whatever we do, we like to do it best. So we like to do it in a way that our consumers really appreciate what we are doing for them.

Then there was one specific query on audit fees being higher this year v/s last year. Last year the audit fees were INR 1.18 crores, this year it's been INR 2.15 crores. A substantial increase of that audit fee was because of QIP related fees to be paid to the auditor. So that's another specific point I wanted to call out.

Anything else? I've covered everything? Thank you sir. I think I've covered.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Ltd:

Thank you Navil for your very comprehensive set of answers. Ashu I realised that Ms. Unadkat has joined us now. So may I request her to first introduce herself to the shareholders before I proceed with the next part.

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

Hello everybody. Good afternoon. This is Kalpana Unadkar and I'm an independent director and I'm joining online from Mumbai. My sincere apologies since I was having some technical problems. So my sincere apologies for this. Thank you.

Mr. Ramesh Damani – Chairman, Avenue Supermarts Ltd:

Thank you for joining us Kalpana. We appreciate that.

I wish to now draw attention to all the members participating in the AGM that the e-voting platform provided by NSDL will be open for 15 minutes after the conclusion of the AGM for voting on the agenda items sent out in the notice to the AGM.

Mr. Himanshu Kamdar, our Scrutinizer, shall 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 the e-voting along with the Scrutinizer's Report would be declared and uploaded on the company's website www.dmartindia.com immediately on receipt of the Scrutinizer's Report, and which will be within 48 hours to the conclusion of this meeting.

On behalf of the board of directors, I thank the members for their participation in the AGM and continued support of your company. I also thank the other directors for joining the meeting remotely. The meeting is now concluded.

With your consent, I and other board members would like to take your leave. Thank you all for joining us on our 20th AGM.

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

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.
