



**24th Annual General Meeting
August 30, 2022
11:00 a.m. (IST) to 12:20 p.m. (IST)**

CORPORATE PARTICIPANTS:

Mr. Pranav V. Adani

Non – Executive Director & Chairman appointed for the meeting

Mr. Angshu Mallick

Managing Director and C.E.O.

Dr. Malay Mahadevia

Non-Executive and Non – Independent Director

Mr. Dorab Mistry

Non – Executive and Independent Director

Mr. Madhu Ramachandra Rao

Non – Executive and Independent Director

Mrs. Dipali Sheth

Non – Executive and Independent Director

Dr. Anup Pravin Shah

Non – Executive and Independent Director

Mr. Shrikant Kanhere

Chief Financial Officer

Mr. Darshil Lakhia

Company Secretary

Other key executives, Statutory Auditor, Secretarial Auditor, Scrutinizer and Shareholders

- **Welcome Speech by Mr. Darshil Lakhia, Company Secretary**

Dear Shareholders,

Good Morning to you all!

I hope all of you are safe and in good health. I, Darshil Lakhia, Company Secretary welcome you all to the 24th Annual General Meeting of Adani Wilmar Limited, the first after being listed on the stock exchanges.

This meeting is being held through video conferencing in compliance with circulars issued by Ministry of Corporate Affairs and the Securities & Exchange Board of India.

Mr. Kuok Khoon Hong, Non -Executive Chairman of your Company has expressed his inability to attend this Annual General meeting. The Directors attending this meeting have unanimously appointed Mr. Pranav Adani as Chairman for this meeting.

Mr. Angshu Mallick, Managing Director and CEO and Mr. Shrikant Kanhere, Chief Financial Officer are present with me on the dias. The other Board members have joined this meeting through Video Conference from their respective locations. For the benefit of Members, I will now introduce our Directors who have joined this meeting:

- Mr. Pranav V. Adani, Non-Executive Director & Chairman appointed for the meeting, attending the meeting from Ahmedabad.
- Dr. Malay Mahadevia, Non-Executive and Non – Independent Director attending the meeting from Ahmedabad.
- Dr. Anup Shah, Independent Director and Chairman of the Audit Committee, attending the meeting from Mumbai.
- Mrs. Dipali Sheth, Independent Director and Chairman of the Nomination and Remuneration Committee, attending the meeting from Mumbai.
- Mr. Madhu Ramachandra Rao, Independent Director attending the meeting from Bengaluru.

- Mr. Dorab Mistry, Independent Director attending the meeting from London.

Our Statutory Auditors, Internal Auditor, Secretarial Auditor and Scrutinizer have also joined from their respective locations.

I will take you through certain points regarding the participation and voting at this meeting.

- All the members who have joined this meeting are by default placed on mute mode, to avoid any disturbance from background noise and to ensure smooth and seamless conduct of the meeting.
- Members who have not voted through remote e-voting can cast their votes through e-voting facility during the AGM and 15 minutes after conclusion of the agenda.

As requisite quorum of members is present, with the consent of Chairman, I declare the meeting to be in order.

Now, I request Mr. Pranav Adani, Chairman of the meeting, to apprise the shareholders about the business performance of the Company.

- **Mr. Pranav Adani, Non – Executive Director & Chairman appointed for the meeting**

Dear Shareholders,

Welcome to the first Annual General Meeting of Adani Wilmar Limited post our successful listing. It gives me a sense of fulfilment to see the growth story of Adani Wilmar over the past 22 years. Today, Adani Wilmar is India's largest and fastest growing FMCG company by revenues. We have indeed come a long way. We have seen multiple challenges in the past few years – a global pandemic, geo-political tensions, an economic downturn clubbed with inflationary pressure as well as supply chain

disruption – all at once. However, in spite of the several challenges and headwinds, the world has shown utmost resilience to adapt quickly to the new normal. We have seen a rapid transformation across digitization and technology-led developments to cope with the new normal. The COVID-19 pandemic forced us to push our efforts beyond imagination, which led to a revamp of the entire ecosystem of infrastructure and supply chain across industries.

In the face of these challenges (and the economic turmoil), the Government's active policy-led interventions guided India towards a fast-paced recovery. We laud the efforts made by the government in ensuring adequate food security, successfully curbing inflation, supporting businesses during turbulent times with credit access and timely interventions by the Reserve Bank of India. I strongly believe that India has reached an inflection point in terms of growth going forward. With this pace and our continued focus on the path to inclusive growth, India will soon become a 5-trillion-dollar economy.

Being at the helm of essential products in the food supply chain, we are determined to proactively participate in India's growth journey.

Adani Wilmar Performance:

Over the past two decades, your company has achieved the incredible milestone of creating a beloved household brand - Fortune: the largest selling edible oil brand in the country – a brand created with a vision to deliver safe, nutritious and quality packaged foods through innovation and the highest standards of ESG practices. The brand became a leader within just two years of its launch in the soyabean category. Today, Fortune is one of India's leading brands across all categories of edible oils and staples. Your company was the first in the country to build a port-based refinery, at Mundra, way back in the year 2001, which today is the largest single location refinery in South-East Asia. Today, your company has created world class manufacturing facilities across the country – we manage over 50 manufacturing operations across India which include 23 of our own manufacturing units spread across 10 states. Over the years, we together with all the stakeholders have built a best-in-class distribution network which has translated into a reach of 1.6 million retail outlets and over 113 million households – your brand Fortune is virtually present in every 3rd household across the country.

In this context, I would now like to brief you all on the performance in the financial year 2021-22. I am happy to share that in the foregoing financial year 2021-22, Adani Wilmar crossed the 50,000 mark with annual revenues of INR 54,214 crores, propelling us towards becoming the largest Food FMCG company in India. Your company handled volumes in excess of over 4.8 million tonnes, with the food & FMCG basket contributing close to 13%. The foods business has a TAM or total addressable market of over 300 million tonnes, with a branded penetration of around 10-15%, indicating immense opportunity and headroom for your company to grow.

In spite of the highly volatile market conditions, record inflation and supply chain disruptions, your company has shown utmost resilience and was able to overcome multiple headwinds and challenges, with growth in both edible oils and foods, on the back of a strong manufacturing and distribution setup. We believe, that given the market opportunity, the food basket will continue to grow at over 30% in the coming years. In a short span of 3 years, Fortune Atta and Fortune Basmati have risen to be among the top 3 brands in the country (Fortune Atta being the No.2 brand).

As part of the growth strategy, your company is working extensively on expansion of the distribution network, especially in the semi-urban and rural markets, where we see enormous potential in the coming years. Today, around 35% in sales comes from the rural markets. We believe that factors like rising income levels, urbanization, changing demographics and changing consumer preferences will contribute significantly in the coming years.

Conclusion:

As we continue to focus on growing the food basket, your company is also ramping up its research & development initiatives to continue launching new products. I am delighted to share that your company has now entered the breakfast category with the launch of Fortune Poha. Apart from Poha, we also launched India's first 3-in-1 blended oil (Fortune Total balance oil), which contains the healthiest combination of oils – rice bran oil, soyabean oil and flaxseed oil. Going forward, your company will

continue to drive innovation through research & development and focus on launching new products in the value-added range.

While we continue to grow the Fortune brand and the foods basket organically, your company will actively look at inorganic opportunities, especially in the foods space. We may look at brands, assets or a combination of both to further accelerate our growth.

I would like to reiterate that our endeavor to deliver safe and hygienic food products will remain our top priority and we will continue to ensure that we meet highest standards of quality and safety. I am also proud to add that Adani Wilmar has made a significant contribution towards creating livelihoods and nation building. I firmly believe that with the continued support of our trusted partners, colleagues and shareholders, Adani Wilmar will continue to reach new heights in the years ahead.

Jai Hind.

- **Mr. Darshil Lakhia, Company Secretary**

Thank you Sir.

Now, I would like to request Mr. Shrikant Kanhere, Chief Financial Officer to give a brief presentation to the shareholders.

- **Mr. Shrikant Kanhere, Chief Financial Officer**

Thank you, Darshil and a warm welcome, to all the shareholders and the Directors who have joined this AGM on a virtual platform. Thank you very much. What I intend to take you through the next 10 minutes is a very crisp and brief presentation on the Company's business update as well as the performance update for the FY 22. I will cover this presentation in four parts –

1. Overview
2. Business Updates
3. Financial Highlights & Performance

4. Strategic Priorities & Way Forward

Your company got listed on BSE and NSE on 8th February, 2022. Adani Wilmar Limited's IPO was one of the most successful IPO of the Indian capital market for the FY 22 which unlocked value to all the shareholders who participated in the IPO process. Our promoter, Adani Group is one of India's largest business conglomerate with interest in energy & utility, transport & logistics, mining, direct to consumer which includes Adani Wilmar's portfolio. The flagship company of Adani group, Adani Enterprises Limited has incubated many successful business models which are working today in the development of our country, these are ports, power, energy, mining and there are lot of new age businesses which are still under incubation which we look forward at as we go forward. Our another promoter, Wilmar group is Asia's largest agri commodity player with a total revenue in excess of US\$ 66Bn. And more than 1000 manufacturing plants across 32 countries and they are leading commodity player as far as palm oil, sugar, wheat flour and rice is concerned. They are spread across the globe and are one of the most successful commodity players in the world.

Our journey so far since last 22 years has been phenomenal. We started our journey in 1999 with JV coming into existence. Your company is the longest serving JV in India, going on for more than 22 years now. We launched our brand 'FORTUNE' in 2001 and within a years' time we became No. 1 brand in the country and till today we are holding that position. From 2003 to 2013, went into acquisitions, where we created the company which you are seeing today with lot of acquisitions. We realized in 2014-2015, that we can leverage brand 'FORTUNE' more in terms of staple food and that's where we got ourselves into the food basket. From 2014 to 2022, we launched many staple food products such as wheat flour, rice, pulses, soya value added products and so on and this list is continuing as we go on.

For the year 2022, we achieved sales volume of more than 4.8 MMT, which is quite large volume to talk about for an FMCG company. Revenues in excess of INR 54, 000 Crs. (USD 6.9 Bn.) which makes us the largest Food FMCG Company of India by revenue, EBITDA growing by good 35% on Y-o-Y in excess of INR 1,900 Crs.(USD 240

Mn.). We have been able to maintain our leadership position in edible oil segment and are No. 2 player in Wheat Flour and No. 3 player in Basmati rice category. Our branded portfolio, which is more important for any food FMCG Company is growing at 20% CAGR for the past 5 years.

As we go forward with more than 23 years of experience, acquisition of more than 17 units, strong 11 lac shareholders and more than 7,300 distributors, your Company is now poised to go to the next level with CAGR of 18% on the revenues for last 5 years. The last year which has gone by was very unusual not only for your company but across global business models. As far as India is concerned, we went through a very bad second wave of COVID in Q1 disrupting all the business propositions which led to inflationary pressures across the globe because of energy crisis, food insecurity. All the commodities rose to life time high which led to supply chain disruption. We also saw Ukraine crisis coming in last quarter of FY 22 and of course an abrupt palm export ban by Indonesia which led to another level of commodity inflation in India. This coupled with tepid rural consumption made it difficult to do business. However, in spite of all these pressures, your Company came out with good results. In fact, AWL recorded highest ever turnover in FY 22 in its history since inception and highest ever profit margin since its inception.

The near term outlook which we feel and what has been projected by most of the economist and government authorities including RBI, GDP growth for FY 23 has been projected to be in excess of 7%. With stability in commodity prices and inflation little under control, we expect uptick in rural demand as we go forward with normal monsoon and declining impact of geo-political risks will make the business propositions some what better than what we saw in FY 22.

Your company kept working on improving the distribution network with 7300+ distributors across India, 90 stock points and 1.6 Mn. retail reach. Every 3rd household in the country is now using Fortune product and the distribution growth is good at 20% Y-o-Y with 5286 towns with below 1 lac population being covered by distribution network.

Besides distribution, the manufacturing strength of the Company remains very strong with 23+ units which are our own units and 30 third party units spread across India makes us closer to the market and that also helps us to speedy proposition to the market as we are present in every 300 km radius through our stock point or our manufacturing unit. Our business model depends heavily on the integrated manufacturing set up in which at one location you can manufacture more than 2-3 products giving you economies of scale and best cost and also makes entire business model very competitive. Our Mundra and Vidisha business models are the best examples of how integrated manufacturing facility should be.

Your company added capacity of 400 Tonnes per day for its oleochemical unit at Mundra. Today, your company is the largest oleochemical player in the country and by adding this facility at Mundra, we have consolidated our position. Soya nuggets plant of 50 Tonnes per day has been added at Haldia facility and in the process to grow our food basket, we acquired rice unit at Burdwan in the state of West Bengal to manufacture non-basmati rice and as we go forward there are more acquisitions coming our way to consolidate our food business.

We continue our leadership position across all the categories. We are No. 1 player in edible oil category with combined market share of 19.6% and as far as wheat flour and basmati rice is concerned, we are No. 2 and No. 3 player respectively. Our latest acquisition of Kohinoor brand will put us into market share of double digit with 10%+ making us a strong No. 3 player in the country.

Our product innovation and new launches continued during the year too. Your company launched for the first time in India, a blend of 3 oils, which is considered to be one of the healthiest oils. The company also launched Poha and various varieties of ready to cook Khichdi.

We understand the importance of human capital because unless you have good human resource and human capital in place, you won't be able to utilize the remaining resources of the Company and therefore, we ensure that all the human capital i.e.

5,500+ strong work force which is working for the company are financially taken care of and their social wellbeing, family wellbeing and most importantly their emotional wellbeing which is being most talked about today is taken care off. Besides that, we also spend good amount of time in developing the talent by engaging them with various corporate programmes. We are very serious on environment, social and governance aspect of the business and we understand that the business has to be done sustainably and responsibly and in this direction on sustainable sourcing, more than 90% of our palm oil is traceable up to Mills and we plan to take it to 95% by year 2026. As a responsible corporate citizen, we also do a lot of work in social service. SUPOSHAN is one of our such project which is a community based project to address the issue of malnutrition and anemia. We reach out to more than 600 villages and touch more than 1.5 Mn. people across India. As a corporate social responsible citizen, we are wary of recyclable packaging. We are India's first edible oil company to introduce recyclable packaging. Our 97% of packaging today is recyclable and we have collected more than 60% of plastic generated as part of EPR.

Your company has been awarded with lot of awards :

1. Solvent Extractor's Association (SEA) award for "Highest processors & exporters of Rapeseed Oilcake & Castorseed Oilcake" conferred by SEA for FY22;
2. CII Food & Safety award for Mangalore, Kakinada & Neemuch units;
3. Times CSR award for our SUPOSHAN Project; and
4. CII Food & Safety Award for "Commendation for Good Manufacturing Practices" for Mundra Rice Unit conferred by CII.

On the financial performance, revenues of your company have been growing at 18% CAGR for past 5 years, EBITDA at 19% and PAT at 27% CAGR for the past 5 years. Also on return matrix, Asset Turnover is 11x which showcases efficiency in overall operations as your company is able to turnaround assets more than 11 times. Net operating cash flow of INR 1000 Crores + every year and Return on capital employed and Return on Net Worth of 25%+ since past 5 years.

A very healthy margin from a different perspective – EBITDA per ton growing at 15% CAGR for the last 5 years and Earnings per share (EPS) growing at 22% for the last 5 years from Rs. 2.25/ share in FY 2017 to Rs. 6.89/ share in FY 2022.

In FY 2022 as I said earlier, revenue crossed INR 54,000 Crores to make us India's largest food FMCG in terms of revenue. EBITDA growing more than 30% to INR 1900 Crs. and ever highest PAT since inception of INR 800 Crs. makes us one of the best and fastest growing food FMCG Company in the country.

Strategic priorities of your company remains food. We will have more focus to grow the core packaged food business and extension of staples – getting into RTE (Ready to eat) and RTC (Ready to cook) kind of products. Our entire focus besides organic growth will also be inorganic growth. The next phase of demand, our consumption which we expect will come from the rural market and therefore the Go to Market (GTM) strategy will be very important. Our whole focus will be to expand the distribution network and make sure that we reach out to every rural market from where the demand is going to be as we look forward. Exports will be one of the focus areas to expand international business for the branded food and leverage the institutional clientele, because this is also one of the very important business aspect of the company. Besides this, B2C, the institutional client for cross selling of food & Home and Personal Care (HPC) will be the focus area of your company as we go forward. We are poised to become India's largest Food FMCG player and we hope that we continue to work towards this direction.

This is all from my side, Ruknamat is the theme towards which the entire company is working. Now, I request Darshil to take forward the proceedings of the meeting.

▪ **Mr. Darshil Lakhia, Company Secretary**

Thank you Sir.

Since the Notice and Directors' Report are already being circulated in advance, I propose to take them as read.

Pursuant to the provisions of the Companies Act, 2013, it is also not required to read Auditors' Report. With the permission of the shareholders, I take it as read.

Some of the shareholders have registered themselves as speakers for the AGM. I shall now invite them one-by-one to speak. The speakers are requested to restrict their queries and comments to 2-3 minutes to allow maximum participation of other speaker shareholders. We will try to respond to the maximum queries after hearing all the speakers.

Questions

- Now I request the Moderator to unmute the first speaker shareholder - Mr. Aspi Bhesania.

Mr. Aspi Bhesania

I am Aspi from Bombay. Thanks for giving me an opportunity to talk in your meeting. Sir, you have given very good appreciation for which I thank the entire management and even the results were very good. Sir, next year the company would be 25 years old, congrats for silver jubilee. How do you propose to celebrate silver jubilee next year? Sir, in 25 years we have achieved sales of INR 54, 000 Crs., in how many more years can we achieve sales of INR 1 Lac Crores? Can we achieve it in another 2-3 years? Sir, I would request the Company Secretary to please inform the speaker number. Luckily, I was first number, otherwise you have to wait till the end for the number to come and we can do any thing else when there are so many other meetings. Sir, I would like to hear Mr. Gautam Adani – the future richest man in the world about the future of our group but he is a man of few words, so he doesn't want to talk. I would like to know from the Chairman that what is the future of our company at least if not the group, Because I heard

yesterday Patanjali Analyst meet was there in Bombay and he was very optimistic. Sir, I would like to know whether you are also equally optimistic like him. Thank you very much and all the best for the future.

- Thank you Sir. Now I request the Moderator to unmute Mr. Dharav Jamadar

Mr. Dharav Jamadar

Good Morning! I hope I am visible. My name is Dharav Jamadar and I am from Surat, Gujarat. I am a proud shareholder and customer of Adani Wilmar. I have certain questions which I would like to place in front of the Board;

1. Margin has been a matter of concern, what is your outlook on the same and what are the steps you are going to take in order to improvise?
2. What is your festive outlook for this particular financial year?
3. How has the shift from unorganized to organized market going on in this particular financial year? What is the projection of market capture for this year?
4. Which product in our portfolio is laggard and what are the steps we are going to take in order to improve its performance?
5. How much CAPEX are we planning to do in this financial year and what will be its capital structure?
6. How is my company bracing itself for any unprecedented events/ recession like scenarios?
7. What are the employee benefit programmes that my company has done in this financial year?

Thank you Sir! for this opportunity.

- Thank you. Now I request the Moderator to unmute Mr. Pramod Kumar Jain.

Mr. Pramod Kumar Jain

Namaskar! Aap mujhe sun pa rahe hai Sir? Ji Namaskar, Jay Jinendra! Mai Pramod Jain, Delhi se Chairman sahab, Board of Directors aur Secretary department ka bahut dhanyawad karta hun jo apne mujhe is AGM mei bolne ka avsar diya aur aaj ke prastavit sabhi resolutions ka mai samarthan karta hun. Aapne apne speech mei aur aadhe ghanta ki jo film jo meeting join se pehle chal rahi thi, sab kuch vistaar se bataya diya hai. Ab shareholderon pe puchne ke liye kuch bhi nahi hai. Hume apni leadership par pura bharosa hai, aap is company ko khub uchaiyon par le jaayenge. Humara share 3 gunne price par trade kar raha hai. Mera ek sujhav hai sir, hum masalo ke vyaapar mai bhi utaren. Humaare Delhi, North India mei jo ye dibba band pav bhaji masala, chat masala, dal makhani masala, shahi paneer bahut sale hai inki, app is vyaapar ki taraf bhi dhyaan dijiye, is se humari company bahut grow karegi. Aur aaj ye Fortune Brand ek global brand ban gaya hai, mai ant sirf mei yahi kahana chahunga – har rasoi ki shaan, Fortune Brand ! Har ghar ghar ki pehchaan– Fortune! Fortune! Aur sir secretary department ka mai bahut dhanyawad karta hun jinhone hume samay par email bheji, Annual Report bheji humare Company Secretary sahab ne, bahut bahut dhanyawad, Jai Hind! Jay Bharat!

- Thank you Mr. Jain. Now I request the Moderator to unmute Mr. Tejas S. Shah.

Moderator informed that Mr. Tejas S. Shah has not joined the meeting.

- Ok. Now we move to the next speaker. Now, I request the Moderator to unmute Mr. Tejas Ajaybhai Shah.

Moderator informed that Mr. Tejas Ajaybhai Shah has also not joined the meeting.

- Now I request the Moderator to unmute Mr. Vinod Agarwal

Mr. Vinod Agarwal

Can you hear me ? Respected Pranav Adaniji, MD Anghsu Mallick and CS Darshil Lakhia and CFO Shrikant Kanhere – Good Morning and Regards to everyone Sir! This is the 24th AGM that means we are in the Silver Jubilee of our incorporation of our company. We are already running in the silver jubilee and it is the first maiden AGM post the IPO, I am proud to be associated with the company in its silver jubilee and its maiden AGM post the IPO. Sir ! No one from Mr. Darshil Lakhia's team contacted me as speaker shareholder. This is a practice of all companies that if a speaker registers to speak at the AGM, the company secretarial department contacts them to know what their views are in advance so that the management is not stricken hard by off the shelf questions. If they are prepared for what the questions are, then it wouldn't have been so hard for the company. This is a lapse on the company secretarial department I would say. Sir I am happy to know that the company's 5 year topline CAGR was 18% and PAT is still higher at INR 26 Crs. My only two queries are :-

1. Sir, we have cash and bank balances in current account in standalone of INR 78.96 Crs. and INR 4366 Crs, we don't have long term debt and short term debt of INR 2500 Crs. means we are net debt free company and we have CWIP of INR 363 Crs. – which I would like to know which this CWIP of INR 363 Crs.?
2. Sir, we have such large and we have not given any dividend and we have kept it for other Capex work, what is the Capex that your are likely to do, for what plants you are planning to do because this INR 807 Crs. of profit also you have kept back and INR 200 Crs. of depreciation is also there with the company, that is more than INR 1,000 Crs. of operation cash flow which is there with the company. What is the actual Capex that you are going to do? The margin of the business that is INR 54, 000 Crs. and PAT is INR 807 Crs. which is less than 0.4% of profit margin. We are in the commodity business I understand Sir but the profit margin even in the commodity business should be 1-2% Sir, because if we have trade receivable and some

trade receivable go bad, profit will get wiped out in a large turnover. If we have any bad debt or something, the profit margin will wipe out sir, this is my only worry. I wish the company all the best. IPO price was INR 230/- and the current price is INR 680/-+ so we are happy for the capital appreciation but you have to look at the profit margin of the Company Sir and not go into bad debts Sir. Signing off Vinod Agarwal from Mumbai, Thank you Sir.

- Thank you Mr. Agarwal. Now I request the Moderator to unmute Mr. Rishabh Jain.

Moderator informed that Mr. Rishabh Jain has not joined the meeting.

- Now I request the Moderator to unmute Mr. Hiranand Kotwani.

Mr. Hiranand Kotwani

Am I Audible? Ok., I am joining from Kalyan. It is a great pleasure to join you respected Chairman and other dignatories. I have made one request in the mail for physical copy of Annual Report. They have not sent. Please send this now also. I have to read this. I am a long term investor and will keep this for years. For years I am keeping balance sheet intact. I cannot read electronically. I am requesting again the Secretarial Department to send it by book post. Company has a long way to go. It is a great company, household company, we buy atta but certainly improvement should be there. Because in attta, there should be premium atta also. Mai pehle atta lata tha, leking usme thoda problem tha. Mai phir vo sharbati aur dusra mix karke atta pisane laga. Usme thoda problem atta tha, thoda hard ho jaata tha. Oil there is no problem. At whatever price it is, I will certainly recommend it particularly, Sunflower oil because I like Sunflower and our family and friends also like it. So I want (inaudible) to improve particularly surti chawal, basmati, all people are not eating basmati, even this Adani surti...(inaudible) is an household name, goodwill has already created, need to maintain in the future for excellency, every product should be an excellent one, rather there should not be complaint, so have

to check in that, this gentleman has already given footprint. What about exports? Are we exporting our products officially? How is our export market? How much foreign income is there, I want to know. Dividend even if you are not giving for 2-3 years, (inaudible) because it is contingent plan, sometimes there is inflation, sometimes we have to be very careful of society, (inaudible). For 20-30 years I was associated with a oil company, I know what all problems you are facing. Nothing more, we will talk in the years to come. Certainly I want to increase excellence in every field. Thank you and good luck guys.

- Thank you Mr. Kotwani. Now I request the Moderator to unmute Mr. Nalin Shah.

Mr. Nalin Shah you are on unmute mode, please speak.

Mr. Nalin Shah

Am I Audible? Perfect..Perfect. Respected Board, Thank you for the opportunity and congratulations for crossing the Rs. 50,000 Cr. mark Sir. We thank you for the excellent listing and gains post that. I will not take more time sir. My question is as can be seen from your results and also from your presentation shown earlier today, though our revenue has grown by 46% Y-o-Y in FY 22, but our PAT, PBT and EBITDA has remained practically stagnant, whereas our PAT margin and EBITDA margins have actually gone down. Similar trend has also been seen in Q1. As one of the earlier speaker mentioned that you know that our PAT margins are very slim and any issues in the geo-political or any other sense will have a certain impact on the PAT. Sir, just wanted to know how the silver jubilee year will pan out as far as your revenue, EBITDA, PBT and PAT margins are concerned sir and what is the future outlook of the company post the current year. My next question is, with the current ongoing global issues going around, what is the impact on the company, if any, just want to have a broad understanding from your end. Sir, on June 22nd, there was an article on one of the news website that there was zero import duty on soya bean oil. What is exactly this and what is the impact of this on the company or will it be beneficial to the company? Also, what is our understanding as to how we are going to spend our festive season and Q4 going forward, basically H2 going

forward and considering we have almost completed 60% + of Q2, what is Q2, Q3 and Q4 performance going to be? Just want to understand your overall corporate strategy. Thank you so much, we are always with you Sir. Thank you for the excellent listing again and best of luck for the year ahead Sir. Once again Sir, thank you Darshil sir, for immediate reply to e-mails, for the links, we really appreciate all your efforts. Thank you so much Sir.

- Thank you Mr. Shah. Now I request the Moderator to unmute Mr. Jay Kishorebhai Jethva.

Moderator informed that Mr. Jay Kishorebhai Jethva has not joined the meeting.

- Now I request the Moderator to unmute Mr. Ramesh Shanker Golla.

Moderator informed that Mr. Ramesh Shanker Golla has not joined the meeting.

I request the Management team present here to respond to the speaker shareholders.

Answers

Mr. Shrikant Kanhere, CFO replied to Shareholders questions one by one as under:

- **Mr. Shrikant Kanhere, Chief Financial Officer**

Ok, so we will take the questions one by one raised by the shareholders. First question was coming in from the line of Mr. Aspi. You wanted to know how are we going to celebrate the 25th silver jubilee celebration. I think it is too early to say anything on this. Of course, we are very positive on FY 23. FY 22 was one of the best year for us and we are hopeful that we will continue our performance for FY 23 as well.

His question was also that how many years we are going to take to cross top line of INR 100,000 Crs.? Now, this is again, a very difficult question to answer because just to apprise all the shareholders on this call, our revenue is impacted by inflationary pressures, so therefore, if pressures are very high you tend to achieve higher revenue,

if pressures are not that, you tend to grow in a moderate growth rate in line with volume growth. So, it would be very difficult, however, our endeavor is of course to grow fast, to keep growing at a CAGR we have been able to showcase for the last 5 years which is 18% of revenue and one can do a math, that if we grow at 15%-18% CAGR, in how many years we would be able to achieve this 100,000 Cr., which is of course going to be one of the very sought after milestone for any company.

The second question was coming in from the line of Mr. Dharav, his first question was that margin was a matter of concern. Just to answer your question, while our company's business model is such that margins are in the range of 1.5% - 2% on the bottom line, however, one should not only look at the margin as a profile, one should also look at the margin in combination with the asset turnover which the company is able to achieve. In our case, while the margins are in the range of 1.5%-2%, our asset turnover is more than 10 times, and therefore, in spite of being low on the margins, which is the business model characteristic, we have been able to showcase return on capital employed and return on equity of 20% + which is very good for any Food FMCG Company. So, low margin is not exactly a concern, but it is a characteristic of our business, which gets offset by the asset turnover which the company has been able to showcase.

I would like to request Mr. Mallick to answer Aspi's question particularly on the festive outlook and particularly with respect to shift from unorganic to organic business.

- **Mr. Angshu Mallick, Managing Director & CEO**

On the festive outlook, let me tell that the entire country is now looking forward to celebrate festivals. We had two not so good years, so, hence from Ganesh Chaturthi onwards, we will see people coming out and enjoying. We already see all the tourist destinations getting filled up during holidays, We expect a better festival year than the previous year.

As far as shift from unorganized to organized is concerned, as far as edible oil is concerned, it is a mature category, where already 70% is branded and packed, so shift although will be slow but still there is room, however, small brands not being able to

manage so well, the bigger brands have the ability to increase. But the bigger area of opportunity is the staples basket, particularly rice, wheat, besan, dal, sugar and poha where there is hardly 10% branded and 90% is unbranded, going forward there will be great opportunity for your company, particularly after the new GST regulation that has come in where everyone has to pay GST 5%, so that makes us at an advantageous position.

- **Mr. Shrikant Kanhere, Chief Financial Officer**

Another question was from Mr. Dharav was that what is the outlook on Capex for FY 23? Just to answer your question, our IPO Capex consists of around INR 2,200 Crores which we would be spending in next 2 years between FY 23 and FY 24. Besides this INR 2,200 Crores Capex, we also have another Capex, which is not there in the IPO, which we would be spending in FY 23 and FY 24. So in FY 23 we see Capex spend of close to INR 1,000 Crores.

On employee benefit, you have a very valid question that what the company is doing on employee benefit. I think that I briefly covered in my presentation that we are very mindful of this fact that human capital is very important for any company and unless you have better human capital in place, you won't be able utilize the other resources. We are spending good amount of time on training, ensuring that the work life balance of all the employees is maintained, their emotional wellbeing, family wellbeing, financial wellbeing is taken care of and we ensure that the remuneration is in line with the market, remuneration is in line with the industry and since we fall under Food & FMCG, we don't pay them which is not in line with industry standards.

The next question was coming up from Mr. Pramod Jain and his basic question was that why are we not into the spices business? For this, I request Mr. Mallick to respond to this question.

Mr. Angshu Mallick, Managing Director & CEO

It is a good question and surely it is one of the kitchen essentials in which we all are there, so species is an interesting topic but it is very regional in nature, it has its own challenges and we felt that the present product portfolio that we have in our hand, we first consolidate that, our market share are not very large in wheat flour, basmati/ non-basmati rice, so we have an opportunity there to consolidate. Once we have consolidated staples basket with us, surely we can look into that option.

▪ **Mr. Shrikant Kanhere, Chief Financial Officer**

Thank you sir. The next question was from Mr. Vinod and his basic question was on what are we doing with the cash balances sitting in our balance sheet to the tune of INR 4,500 Crores plus and what does CWP of INR 363 Crores consist of ?

The cash balance in the balance sheet is primarily due to the IPO proceeds which we generated in February 2022 and as per the mandate of market regulator, this cash has to be kept in an escrow account and is to be spent for the objects for which IPO has been done. This will get spent over next 2 years for Capex as well as for mergers and acquisitions, that is why it is showing in the balance sheet. As far as CWIP is concerned, this is an ongoing Capex which is there, all the projects which are right now going on, which are not yet commissioned, hence it is shown as CWIP.

His also questioned that since we are sitting on cash balance, why have we not declared dividend inspite of cash balance as well as INR 800 Crores of profit which we generated last year. On the dividend policy, we are very clear that to some extent, we want to keep investing in the business because we are growing, we are still 20 years young organization and there is good amount of mileage which we are yet to cover. Our current proposition is to keep investing in the business, ploughing back whatever we earn in the business because at the end of the day whether you give dividend or whether you create value for the shareholders is more important and that is the reason

company has not declared dividend this year. However, as we go forward, given the performance, we will certainly take a call on dividend.

Capex for FY 23 was also his question, which I think was answered in my answer to last question.

He also had concern on why the margin was so low on turnover of INR 54,000 Crores, the margins are only 1.5%-2%. I think I answered this question in my answer to previous question where I said that margin profile is low, but the asset turnover is very high and therefore ROCE and ROE is very respectable and therefore you should be looking at combination of all and not only the margin profile. There are companies having margin profile of 20%+ but ROCE of less than 10%, so margin is not the only parameter what we should be looking at.

There was a question coming from the line of Mr. Hiranand Kotwani he had asked for a physical copy of Annual Report, which we will ensure that it gets couriered to you today itself so that it reaches you in time. He also mentioned about why are we not into non-basmati rice business because he feels that basmati is a very smaller category. I would request Mr. Mallick to answer this question.

Mr. Angshu Mallick, Managing Director & CEO

I am happy about the question Mr. Kotwani has asked. I am surely with him that basmati is only 10% of the rice consumed 90% of the rice is non-basmati. Your company has now invested in a new factory in Burdwan where we are now processing miniket and baskathi, which is the most preferred rice there along with govindobhog which is the aromatic rice, for west we are working on wada kolam, surti kolam and lachkari kolam, these are the 3 big varieties of rice which are consumed in Maharashtra and Gujarat. So we have started packing in Gujarat. In south, we are going for sona masuri. Apart from that we are also packing non-basmati in U.P. So all put together there are 4-5 stations where we are packing non-basmati rice. We see a big opportunity in branding

non-basmati and we will surely go more aggressively and you will see that in more of retail chains.

Another question was on premium atta. Why are we not launching sharbati aata or multigrain atta? Surely, we have first tried to understand the atta market by launching the most widely accepted chakki atta, which has now got its base ready. We are now working on sharbati and multigrain atta, and will surely come out with premium atta. However, challenges with atta is freshness, consumers look at fresh atta and we will have to see how to overcome that challenge but going forward, as I agreed with you that premium atta also needs to be launched for the consumers that like it.

▪ **Mr. Shrikant Kanhere, Chief Financial Officer**

We also had a question on what is our export basket? Just to give you a datapoint sir, our export is to the tune of INR 3,500 Crores every year and therefore to that extent, INR 3500 Crores of foreign exchange we earn from export.

Next question was coming in from the line of Mr. Nalin Shah, he said that while your revenues are growing at 46% but PAT and EBITDA are stagnant. Just to give you the right perspective Mr. Nalin, as I said earlier that revenues of your company are impacted due to inflationary pressures and therefore, the business parameter that we look at is per/tonne or per/kg margin profile, whether it is improving -yes or no and which is what I presented in my presentation earlier, that while the revenues grew by 46% but the volumes last year grew by 8%, and against this 8% absolute EBITDA and absolute PAT grew by 35% and 40% respectively, which is more than the volume growth. If you normalise the revenue from the inflationary pressure, your margin profile has improved more than the revenue growth.

His question was also on the future outlook and also zero duty on soya oil and how it has impacted the company. So I request Mr. Mallick to answer these three questions:

1. Future outlook;
2. Soya TRQ; and

3. Global issues impact on our business.

Mr. Angshu Mallick, Managing Director & CEO

First, I will start with the TRQ. Government has announced in the end of May/ early June on TRQ viz. zero duty import. Government has given maximum of 10% of quota i.e. 2,00,000 MT/ single company, that is the maximum they have given, so have also got 2,00,000 MT duty free import of soya bean oil as well as sun flower oil. To that extent we have imported these stocks at zero duty.

First is the global view. Ukraine and Russia, although the war continues, the supplies have started coming out from Ukraine and we see going forward, lot more steadiness in supply of sun flower oil from Ukraine. That will help in reducing or managing the prices and at least availability in the coming festive season.

As far as the monsoon is concerned, monsoon growth in US, China and India has been very satisfactory, weather conditions have been ok, so we expect better crop and do not see any constraint in availability- whether local or imported.

Now the outlook of H2 i.e. from October to March, surely the first half has been challenging, due to the heat wave, the restrictions, inflations, all these had pushed the volumes on the lower side but going forward, H2 onwards, from October, festival season will be at its peak, both Dushhera and Diwali in the same month, consumption is likely to go up as the prices have stabilized, inflation is high but under control. Rural markets are more important and that will start giving us demand because harvest coming in from October and more money coming in the hands of rural poor. Now that is going to change the consumption pattern in India and I think that the next 6 months should be very good for staples consumption.

▪ **Mr. Shrikant Kanhere, Chief Financial Officer**

So, I think that was the set of questions which was asked by the shareholders.

I again extend my thanks to all the shareholders who took out the time and asked the relevant questions to the management. It helps us, it gives us the insight.

Now, I request Darshil to take forward the proceedings.

- **Mr. Darshil Lakhia, Company Secretary**

CS Chirag Shah, Practicing Company Secretary has been appointed as Scrutinizer for conducting e-voting process in a fair and transparent manner.

The process of e-voting shall continue for next 15 minutes for those who have yet not cast their votes. The meeting shall stand concluded at the end of 15 minutes.

The Combined results for remote e-voting and e-voting during this AGM will be placed on the website of the Company. The results will also be submitted to the Stock Exchanges as per the relevant provisions of the Companies Act and the listing regulations.

I present a vote of thanks to the Chairman Sir and express my gratitude to all the Board members and fellow shareholders for their continued support and co-operation.

Thank you, Stay safe.