Transcript of the 117th Annual General Meeting of Bombay Swadeshi Stores Limited 26th September, 2023

Mrs. Madhu Chandak - Director, Bombay Swadeshi Stores Limited:

Good Morning everyone!

I, Madhu Chandak - Director of the Company, welcome you all to the 117th AGM of Bombay Swadeshi Stores Limited being conducted through video conferencing in compliance with directions of Ministry of Corporate Affairs. I have joined this meeting from Mumbai. I am informed that the requisite quorum required under the law is present and the meeting may commence. I now call for the meeting to order.

Before we commence, I would like you all to take note of certain points regarding participation in this AGM. The two-way teleconferencing facility for attending AGM is being made available for shareholders on a first-come, first-served basis. Once the question answer session starts, the names of shareholders who have registered themselves as speakers will be announced. If there are connectivity issues at speaker's end, we will ask the next speaker to join. During the AGM, if shareholders face any technical issues, they may contact the helpline number mentioned in the notice of the AGM.

The statutory registers are available electronically for inspection by members who are desirous to have an inspection at the AGM. Members seeking to inspect such documents can send their requests to investor@bombaystore.com from their registered e-mail ID. Members attending the meeting through VC shall be counted for the purpose of quorum. Since the AGM is being held through VC and other Audio-Visual means, the resolutions mentioned in the notice convening this AGM have already put to vote through remote e-voting facility and as facility of e-voting is also available at 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 followed by instructions as mentioned in the notice of AGM for remote e-voting. Members can vote at the AGM from commencement of the AGM till 15 minutes after the conclusion of this AGM.

Now, let me introduce you to the board members who have joined the meeting. Mrs. Manjri Chandak, Non-Executive Director of our company and Chairperson of the Stakeholder Relationship Committee has joined the meeting from Mumbai. Mrs. Jyoti Kabra, Non-Executive Director of your company, is attending the meeting from Mumbai.

We also have with us authorized representatives of Banshi Jain & Associates, Statutory auditors and authorized representative of Rathi & Associates, Scrutinizers for e-voting, attending this meeting through VC.

Now, the Chairperson speech.

Mrs. Madhu Chandak – Chairperson, Bombay Swadeshi Stores Limited:

Ladies and gentlemen, it gives me great pleasure to welcome you to the 117th Annual General Meeting of Bombay Swadeshi Stores. Thank you for joining us today. The year gone by has been both exciting and noteworthy for the company. We made significant headway on the agenda we established at the beginning of the year. We emerged as a popular and vibrant brand in the handicraft and artifacts industry. During the year under review, we kept our promise and consistently improved our product offering and product range across the categories, which has driven our success and made us achieve higher revenues. We believe that sustaining this growth momentum in the fast-evolving and dynamic consumer market demands your company to constantly innovate and stay pertinent in the life of our consumers. Keeping this in mind, we have ensured that our in-store and future product offerings are both fashion-forward and contemporary while maintaining the heritage of the brand as it has carried for the past many, many decades. We kept control on our business operations and complete focus on controlling expenses covering every aspect of business while maintaining sustained growth on revenues. We will continue to keep doing so for all our current and future stores. The company has not opened or closed any stores this year. The total number of stores has remained 22 at the end of 31st March, 2023. Achieving this growth and scale requires the support and contribution from all our shareholders and consumers who have been vital contributors to every milestone in the year gone by. My best wishes to all of you. Thank you, stay safe.

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

The notice convening 117th AGM along with the Annual Report for financial year ended 31st March, 2023 consisting of financial statements including Board's report, Auditor's report, which have been sent to those members whose e-mail ID's are registered with the company or registrar and share transfer agent or the depository participants through electronic means. The Notice and the Annual Report have also been hosted on the website of the company.

With your permission, I shall take the Notice of today's meeting and Director's Report as read. The company has presented the standalone financial statements of the company for financial year ended 31st March, 2023 as per requirements under Companies Act 2013.

The Auditor's report for the financial year ended 31st March, 23 is unmodified and does not contain any qualification, reservation, adverse remark, or disclaimer.

With your permission I shall take the said Auditor's Report as read. We will now open the session for questions and answers. The shareholders are requested to be brief and avoid repetition. The shareholders are also requested to express their

views and raise queries pertaining specifically to the Annual Report for the financial year 2022-23 and on business matters for today's meeting.

I now invite the shareholders who have registered themselves as speakers to express their views, ask questions or give suggestions.

- Moderator:

The first speaker is Lekha Shah, but she's not available.

Mrs. Madhu Chandak – Chairperson, Bombay Swadeshi Stores Limited:

Okay. Can we go to the next speaker?

Moderator:

The next speaker is Mr. Rajiv. Mr. Rajiv. He is also not available. So, we'll move on to the third speaker, Mr. Aspi.

Mr. Aspi Bhesania – Shareholder:

Madam, I am Aspi from Bombay. I am a shareholder in this company for many, many years. I would like to know when there was a change in management and why no physical meeting because I feel physical meeting will be cheaper in your case than an online meeting and there is nobody from outside Bombay to speak in the meeting. The first two shareholders didn't even speak. Madam, all three directors are ladies that's good, but in company like ours, there should be reservation for men, where the government is keeping reservation for ladies, Madam and 22 stores we have. So, how many are owned and how many are leased? and is there any franchise store? You want to follow the Westside model where they only lease the shops or you want to follow the DMart model where they owned the stores? Ma'am congrats on 167% growth during the year. Can I expect 167% growth during the current year also? Is it possible? Page 33, the total shareholding of the three directors is 88.85%, so who holds the balance? Can you please next year mention in the report top 10 non-promoter shareholders and is there any chance of it getting listed and who is our ultimate owner because I can see only three lady owners who are three directors and who's the ultimate owner of this company.

On page 37, we have got investments in Bombay Store Retail Company of about 3-crore, what is it and what are they doing and are we getting any income out of that? Madam don't be in a hurry to pay a dividend, first reduce the loans, you already reduce quite a lot of loans, so please reduce further, make debt free, and then only you start paying a dividend and please put me on your mailing list since this is an unlisted company, I don't get to know anything excepting the annual report, so please put me on your mailing list so that whenever there's anything like what is on BSc side that type I can get to know, like opening a new store or anything like that. Thank you very much. If you can reply when I'm online because I don't think, there's

any other speaker shareholder. Is it possible? Otherwise, the moderator will mute me and then I cannot talk.

Moderator:

Thank you, Mr. Aspi. We will just check if there are more speakers and then the questions will be answered together. Thank you.

- Mr. Aspi Bhesania – Shareholder:

Yeah, but then I cannot decide that time, I cannot question again at that time once I'm muted because then the moderator will not unmute me at that time.

Moderator:

Do we have any more speakers?

Tech Support:

Yeah ma'am, the next speaker is Vasudha Madam, but she has not joined.

- Mrs. Madhu Chandak - Chairperson, Bombay Swadeshi Stores Limited:

Okay. So, are we waiting for any other speakers or are we done?

- Tech Support:

No, so Ma'am do you want me to again rejoin Mr. Aspi as a panelist to speak?

- Mrs. Madhu Chandak - Chairperson, Bombay Swadeshi Stores Limited:

No, but can Mr. Aspi hear us?

- Tech Support:

Yes, he can hear.

Mrs. Madhu Chandak – Chairperson, Bombay Swadeshi Stores Limited:

So, we will answer his questions and if anything further is there, we can share the mail ID and we can communicate by mail. I request Mrs. Manjri Chandak to respond to the questions raised by Mr. Aspi. Thank you.

- Mrs. Manjri Chandak - Non-Executive Director, Bombay Swadeshi Stores Limited:

Thank you, Mrs. Madhu Chandak. We have received questions from one more shareholder, so I will take the two together. Just give me a moment please.

Good morning, everyone. I will first take answers from questions received by Mr. Rajiv Thakkar. So, his first question was what are the growth targets for the next five years?

So currently I would like to say that we have about 22 stores. We have opened one store this year that is in Sarath City Hyderabad, so we are currently 23 stores now. For growth targets - we are constantly on the lookout for new opportunities and we take them up after due feasibility study according to what suits us, what suits well for the business, and accordingly we take them up. We don't have very aggressive plans and at the same time we are on constant lookout for new opportunities that blend with our business strategy.

Next question from him is expense break up as to why lease rentals have gone up from 7 crores to 10 crores without any additions and stores last year?

So, I would like to say that last year, we received many rebates and waivers from the malls due to COVID, so the rental bills from the malls and the store owners was much lower. And in the current year, stores are at full rentals and there are no waivers because business is fully operational.

Next question is about the sales break up, online and offline, and domestic and exports, any green shoots and investments on online business and strategy for going international stores at global airports?

So, I'll take it 1 by 1. So, currently our online business is less than 2%. So, we are not planning any big investments here and we are happy the way it is, it may grow steadily or remain around there, we have been comfortable with that. Our online business is largely for branding and online presence, but I would like to reiterate that we have full focus on our offline business our physical stores and we have full focus on there. We do not have any plans as of now to operate outside the country or investments apart from the current strategy of business.

There's a question about BSRCL Bombay Store Retail Company Limited as to why it is not included in annual accounts this year. So, I would like to give an update here, BSRCL capital is now diluted. BSRCL earlier used to be 100% subsidiary of Bombay Swadeshi. But, all the stores were under Bombay Swadeshi and not in the BSRCL. And BSRCL holding for Bombay Swadeshi is very small, and hence consolidated accounts are no longer required to be published in the annual reports, which is why it is not published. I repeat that we have all our business, all our stores operating in Bombay Swadeshi.

CEO appointment, by when will we plan a new CEO? So, like last year again, I would like to - my response is the same, we are not on search for a new CEO at the moment because we have a reasonably senior team taking care of the business and we are very comfortable with that. As the business requires, we will bring a more senior management, but in due course, if required by the business. Thank you.

Mr. Aspi's questions. Regarding having a virtually AGM, it's currently permitted and it makes it convenient for people to log into the AGM from wherever they are in the country and from their own residence, so we have decided that this is the best for the company.

About the 22 stores being leased, yes, all our 22 stores are leased and we are comfortable with this model and we plan to continue with the same. We do not have any franchise and there are no franchise plans.

About growth over last year being at 167%, kindly note that the base the previous year that's FY22 was much lower due to COVID reasons and many stores not being operational, and malls being closed, so the growth 167% is base effect and that is not the kind of sustainable growth that we are looking at, but yes we are steadily growing our business.

About page 33 showing shareholders, all the shareholders that are to be published in annual reports are supposed to be above 5% holdings and we have only three shareholders, which are above 5% and the same has been published on page 33.

The ultimate owner of the business? We'd like to inform you the management changed in FY16 and since then there has not been any change, so the management remains the same and yes so there has not been any change.

BSRCL current holding is 1.6%, this is as I mentioned earlier that there are no further plans over here, so all the businesses is operating under Bombay Swadeshi and the plan is to continue the same. Yeah, we do share out whatever notes we have to share out to all our investors, so communication remains same to all our investors, so you will get the set of communication on your mail ID.

So, thank you, that completes the questions. If any further questions, you can reach out to us on our mail ID and we will revert to the same to the best of our capacity. Thank you.

- Mrs. Madhu Chandak - Chairperson, Bombay Swadeshi Stores Limited:

Thank you, Manjri. I now wish to draw attention of all members participating in the AGM that e-voting platform provided by CDSL will remain open for 15 minutes after the conclusion of the AGM for voting on agenda items as set out in the notice. Mr. Himanshu S, Kamdar 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 remote e-voting and voting along with scrutinizes report will be declared and uploaded from the company's website immediately on the receipt of scrutinizers report, which will be within 48 hours from the conclusion of this meeting. On behalf of Board of Directors, I thank all members for their continued support to the company. The meeting is now concluded. Thank you.