



Transcript of 25th Annual General Meeting of Jubilant FoodWorks Limited held on September 15, 2020 at 11.00 a.m. IST

Management:

- Mr. Shyam S. Bhartia - Chairman & DIRECTOR,
- Mr. Hari S. Bhartia - Co-Chairman & DIRECTOR,
- Ms. Aashti Bhartia - Non-Executive Director,
- Mr. Abhay Havaladar- Independent Director and Chairman (Nomination, Remuneration and Compensation Committee),
- Mr. Ashwani Windlass - Independent Director and Chairman (Audit Committee),
- Mr. Berjis Desai - Independent Director
- Ms. Deepa Harris - Independent Director,
- Mr. Pratik Pota - Chief Executive Officer and Wholetime Director,
- Mr. Shamit Bhartia - Non-Executive Director,
- Mr. Vikram Singh Mehta - Independent Director and Chairman (Stakeholders Relationship Committee),
- Mr. Prakash C. Bisht - Chief Financial Officer,
- Ms. Mona Aggarwal - Company Secretary

Moderator: Good Morning Members. Welcome to the 25th Annual General Meeting of Jubilant FoodWorks Limited through video conferencing. For the smooth conduct of the meeting, all members will be in the mute mode. The members who have pre-registered themselves as speakers at the AGM, their audio and video will be visible when the Chairman requests them to speak. Please note that for the requirement, the proceedings of the Annual General Meeting are being recorded and the transcript of the proceedings shall be made available on the Company's website.

With this, I hand over the proceedings to Mr. Shyam S. Bhartia – Chairman, who have joined from Delhi. Over to you, sir.

Shyam S. Bhartia: Thank you. Good Morning everyone. I am delighted to welcome you all to the 25th Annual General Meeting of the Jubilant FoodWorks Limited. I trust and hope that you and your families and friends are safe and well.

I highly appreciate your taking out time today to attend this Annual General Meeting being convened through video conferencing in compliance with the provisions of the Companies Act 2013 and circulars issued by Ministry of Corporate Affairs and SEBI. The Company has made all necessary arrangements to enable the members to participate in the meeting through video conferencing facility and vote electronically.

As the requisite quorum is present, I call this meeting to order. As the Annual General Meeting is held through video conference, the facility of the appointment of proxies by the members is not made available.

I would now introduce other Board members and officers who have joined this meeting through video conference. Starting from the top left of your screen is Mr. Abhay Havaladar – Independent Director and Chairman of the Nomination, Remuneration and Compensation Committee, joining from Mumbai; Mr. Ashwani Windlass – Independent Director and Chairman of the Audit Committee, joining from Delhi; Mr. Vikram Singh Mehta – Independent Director and Chairman of Stakeholders Relationship Committee, joining from Goa; Ms. Deepa Harris – Independent Director, joining from Mumbai; Mr. Berjis Desai – Independent Director, joining from Mumbai; To my right on the screen, Mr. Pratik Pota – CEO and Wholetime Director, joining from Gurgaon. To my left of the screen Mr. Hari S. Bhartia – Co-Chairman and Director, joining from Delhi.

Now, I shall introduce those on the bottom of the screen, starting from left of the screen. Ms. Aashti Bhartia – Non-Executive Director, joining from Goa; Mr. Shamit Bhartia – Non-Executive Director, joining from Delhi; Mr. Prakash Bisht – EVP & Chief Financial Officer, joining from Noida; Mona Aggarwal – Company Secretary, joining from Noida. The statutory auditors, secretarial auditor and scrutinizer are also participating in the meeting.

Dear Shareholders,

We are meeting under very different circumstances from what we would have imagined even until recently. COVID-19 crisis is an unprecedented medical, humanitarian and economic crisis. Across the world, it has had significant impact on economies and businesses. India too, has been hard hit despite the swift and proactive steps taken by the Authorities. Since the availability of a vaccine is still some time away, we have to learn to live with COVID reality, even as we take all necessary precautions and care.

In the face of this pandemic and the subsequent lockdown, your Company moved quickly to prepare for and respond to the unfolding crisis. We were quick to spot the coming crisis and were prepared for it in early March. We procured all necessary PPEs, sanitizers etc., and rolled out an increased safety and sanitization protocols across all our restaurants. Your Company was the first to launch, Zero Contact Delivery for the safety of its employees and customers. This was followed up later with the rollout of

Zero Contact Takeaway and Zero Contact Dine-in. We focused on reopening stores market-by-market and ensuring that we kept our commissaries operational. Your Company also partnered with FMCG majors to launch 'Domino's Essentials' for delivering everyday grocery essentials to customers and communities in their time of need.

Turning to our recently announced performance in Q1:

I am happy to share with you that despite being faced with acute supply and demand challenges, consequent to the nationwide lockdown, the Company has delivered resilient performance. The operational revenue in Q1 FY 21 was at Rs. 3,803 million, a recovery of 40.5% of our total system sales last year. Within this, delivery recovered 66.7% of the total delivery system sales. EBITDA came in at Rs. 241 million and 6.3% of the revenues.

The Company also opened 24 new Domino's stores in Q1 FY 21. The sales recovery that we had seen in Q1 accelerated in July and August, despite local level restrictions imposed by various states periodically. We recovered 69.8% of our total system sales in July and 84.6% in August. Among channels, we returned to growth in delivery and takeaway channels in the month of August, while dine-in remained soft.

We also forayed into the FMCG segment with the launch of Ready-to-Cook range of products under brand name "ChefBoss". Given the interest in home cooking and experimentation, our entry into in this exciting and fast-growing category could not have been better timed.

We are hopeful that the business will continue to improve gradually over the next few months. We expect near normalcy by the exit of Q4 FY 21.

The last few months have been extremely difficult for our employees, especially those in our stores and in our commissaries. Our employees have worked tirelessly to keep our stores open and continue to be of service to our customers and our communities. We are extremely proud of work done by all of them and thank them for their selfless service, dedication and their perseverance.

Turning to last year, we are faced with twin challenges of challenging demand environment as also pronounced inflationary headwinds especially in dairy. The situation was made worse by COVID-19 pandemic during the final quarter. In face of these challenges, the disciplined execution of our five pillared Strategy for Growth enabled your Company to deliver a strong performance in FY 2020.

Your Company reported a double-digit growth, strong EBITDA at 22.6% of revenues. Your Company also crossed new milestone by opening 123 new Domino's stores during the year, highest in last 3 years.

Last year we rolled out slew of innovation from 'World Pizza League' and followed by a range of Indian Masala Pizza's and value added beverages for our customers. These met with good success and helped us to drive growth and market share.

We also unveiled a new positioning for Domino's 'Dil, Dosti, Domino's' crafted to acknowledge the rich role that the brand plays in bringing the people together, in turning family into friends and friends into family.

Your Company continued to leverage its digital strength to drive greater customer centricity. Domino's Pizza App was further optimized to make it leaner and more user friendly with built-in wallet and tie-ups with all major payment gateways. It was the highest rated App amongst all food tech brands last year.

Our International Business did well too. Domino's Pizza Bangladesh continues to gain acceptance amongst consumers in Dhaka, and we opened our third restaurant there. Despite extremely difficult circumstances following the Easter bombings early in the

year, the Sri Lanka business consolidated its gains and improved operating margins and turning profitable in Q1 FY21.

Our Fast-Casual Chinese brand Hong's Kitchen continues to grow by tapping into Chinese cuisine segments and has shown a very good traction with customers. Tasty menu offerings and value propositions have helped increase acceptance amongst customers.

In Dunkin' Donuts, the format was fine-tuned with the pilot of smaller stores having a focused menu of donuts and beverages. 4 Dunkin' Donuts and 3 Hong's Kitchen restaurants were opened during FY 2020.

Your Company registered a healthy performance with operational revenues expanding by 10.1% at Rs. 38,858 million compared to last year. EBITDA of Rs. 8,771 million. Investments in digital platforms and infrastructure and technology usage have supported higher online sales that contributed to 86% of the delivery sales.

We also ended the year with an extremely strong Balance Sheet. Your Company had a cash balance of Rs. 6,914 million in the form of cash and cash equivalents, bank deposits and Investments and remains debt-free. Both of these were great strengths that allowed us to withstand the crisis.

Looking forward/ahead, we are confident about the future that lies before us. We expect the organized segment of the restaurant industry to grow as consumers seek safe, hygienic food options. Within this, we expect that the trusted and the credible brands will find greater acceptance and gain market share. Your Company is well-positioned to withstand the current crisis and indeed, emerge from it even stronger. Our strength in Delivery, our growing technology expertise, a robust supply chain, continued investments in brand building and innovation and a strong balance sheet all placed us in a unique position of strength. We have no doubt that the future will see your Company do well and continue to lead the food service category.

Once again, we would like to thank all our employees for their hard work, and commitment. We would also like to take this opportunity to thank all our business associates and partners, standing by us and supporting us through our journey.

I, on the behalf of the Board of Jubilant FoodWorks, would like to express my heartfelt gratitude towards our shareholders, partners in Domino's International and Dunkin', our Business Partners, all other stakeholders for their continued support, trust and confidence.

Thank you.

We shall now take up the formal agenda of the meeting. The Statutory Registers and other relevant documents referred in the notice are available for electronic inspection on the NSDL website. The statutory auditors and secretarial auditors have expressed their unqualified opinion in their respective audit reports for FY 2020. There were no qualification, observations or adverse comments on financial statements and matters, which have any adverse impact on the functioning of the Company.

As the AGM notice, along with the Annual Report for FY 2020, are already circulated to members through electronic mode. I take the notice convening the meeting as read. In compliance with the provisions of the Companies Act and Listing Regulations, the Company had provided remote e-voting facility to the members from 09.00 a.m. on 12th September 2020 to 05.00 p.m. on 14th September 2020 to cast their votes electronically on all the business items as set out in the AGM notice. Members who have not cast their vote through remote e-voting and are participating in this meeting may cast their votes through the e-voting system provided by NSDL. The icon for e-voting is available on

the top of your screen. The e-voting facility is active now and will be closed along with the closure of the meeting.

We will now take up the agenda items as set forth in the AGM Notice listed as Ordinary Business, Special Business; and thereafter, questions by members registered as speaker shall be taken up.

Item no.1 of the Notice - To consider and adopt the Standalone and the Consolidated Audited Financial Statements of the Company for the financial year ended 31st March 2020 along with the reports of the Board of Directors and the Auditors thereon.

As i am interested in the agenda item no. 2, request Mr. Ashwani Windlass to chair the meeting.

Ashwani Windlass: Thank you Chairman, Item no. 2 - To appoint a director in place of Mr. Shamit Bhartia, who retires by rotation and, being eligible, seeks re-appointment.

Shyam S. Bhartia: You may also take up the item no. 3 from good governance perspective.

Ashwani Windlass: Item no. 3 - To appoint a director in place of Ms. Aashti Bhartia, who retires by rotation and, being eligible seeks re-appointment.

I now request Mr. Shyam Bhartia to chair the meeting. Thank you

Shyam S. Bhartia: Now, the items of Special Business considered by the Board as unavoidable are proposed for the approval of the members by way of special resolution.

Item no. 4 - Approval for implementation Jubilant FoodWorks General Employees Benefits Scheme 2020.

Item no.5 - Applicability of Jubilant FoodWorks General Employees Benefits Scheme 2020 to the employees of the holding and subsidiary companies of the Company. The text of the resolutions along with explanatory statement is provided in the AGM notice circulated to the members.

I would now invite members, who have pre-registered in advance as speaker. In the interest of time, members are requested to keep their questions brief and specific. To avoid repetition, the answers to all the questions will be provided towards the end. Over to the moderator.

Moderator: Thank you so much, sir. Give me a moment, while I allow the shareholders to come online please. We now invite our first speaker shareholder Mr. Samrat Sarkar from Kolkata to speak please. You may go ahead, sir.

Samrat Sarkar: Good morning, everyone. I am Samrat, member of Jubilant FoodWorks. Sir Jubilant is building a portfolio of brands, so what sort of our cuisine we are targeting apart from Pizza's and Chinese? Why Dunkin' Donuts has not scaled up much? What is the turnover and segment profitability of Dunkin' Donuts? Do you have any plans to introduce more healthy organic food with better nutritional value? Does Domino's intend to cater to the quick breakfast segment or not? And you have 33 million Domino's app downloads cumulatively, so can use this huge network of readily available customers with new cuisines, new F&B segments under the Domino's brand wrapping another brand? Does Jubilant FoodWorks have any intensions of entering into a licensing agreement with any other Pizza chains? How many Domino's outlets do we currently have in big cities as compared to suburbs and small towns? What is the average order size and is it increasing or not. And sir finally, I just have a small suggestion from my side, Domino's should involve more innovative ways of engaging with customers, digitally or otherwise, to increase the mindshare of the customer, we should create and energize our delivery and front end employees, so that they may

render much more friendlier and personalized service to the customers to create a family-like bonding with customers. The way Starbucks, or Southwest Airlines does, this sort of culture will set our Company apart from any of our competitors globally? That is it for my side, I wish our Company all the best sir, going forward. Thank you for the opportunity, sir. Thank you.

Moderator: Thank you so much, sir. We now invite our next speaker, Mr. Yusuf Rangwala from Mumbai to speak.

Yusuf Rangwala: Yes, speaking, sir. Good morning, sir. This is a 25th year, silver jubilee year, my good wishes for our Company, which is excellent. Sir, our company Domino's Pizza, do we have any competition with McDonald's? Any competition with McDonald's? Sir, this is 25th year, sir you have given bonus in 2018, you can give bonus right now. Sir, you have dividend Rs. 6 (60%), on Rs. 10. We have a very good dividend. And sir, I want to ask one more thing, in COVID-19 in these four months how has our business affected? Were our stores running, what was the position, sir? Near my Liberty there is your showroom, my office is in front of Liberty Cinema near Bombay Hospital, there is your showroom since long years, Pizza is excellent there sir. Sir, I have a humble request, if you can rate like our Domino's Pizza's rate, if you could do reasonable rate and sir, if there could be scheme, if you buy one large pizza, you will get a small pizza. So what will happen sir, this will help our business, sir. It is my humble request, sir it is 25 years, sir we want a party from your side, we want a get-together. In Bombay after COVID-19 you do a party sir, we want a celebration sir, you sit in Delhi, we cannot come to Delhi, it is very far, if you could arrange a small get-together, it is my humble request, we can meet you and it will be a small reason, sir. Rest what I should say about you sir, *"chand mein chandni, Jubilant Food ke bigar hamara adhura sa jeevan sir"* kids like your pizza, your pizza is very good sir, whenever we feel hungry in home, there are so many variety sir, there is no saying about you sir, excellent sir. And your management sir, it is such a good management and our madam has faced a lot of problems that you please join, I want to appreciate her also and our Chorus people, who given very nice service, we are very lucky that Chorus is with us and we are very thankful to them. I want to say nothing much, sir, but I just want, I want to pray to God about our Company and good days will come and you will keep get together and I do not want to say, rest Delhi is very far, sir you are aware what is the position of COVID-19. Sir in our plant, where we make pizza there does COVID-19 affected anyone? Is anyone effected sir? Rest I do not want to say, I want to thank you sir and I want to say *"Jai Maharashtra, Jai Vande Mataram, Bharat Mata Ki Jai"* I will end my speech here. Thank you very much, sir. Bye-bye, sir.

Moderator: Thank you so much, sir. Thank you. We have completed all the speaker shareholders. We request the management to respond to the questions. Over to you, sir.

Pratik Pota: Thank you for the questions, Mr. Sarkar. Mr. Rangwala. We appreciate the fact that you have taken the effort and the time to post these questions and also for your good wishes, Mr. Rangwala. Let me respond to the questions one-by-one.

Your questions, first question was about the portfolio of brands that we have begun to build out. You are absolutely right; we have got an incredibly powerful brand in Domino's Pizza and in Dunkin' Donuts. We have recently as you are aware extended a portfolio to the segment of fast casual Chinese food, which is a large market, but there is a huge vacuum with the launch of Hong's Kitchen brand, that is what so far confined to Delhi NCR. As Mr. Bhartia said in his speech, it is totally well and we intend to recalibrate scale of Hong's Kitchen starting with Delhi NCR first.

We also have a test kitchen going right now in Delhi NCR in Biryani's and we are watching that segment very closely. And as and when we are learning from a test kitchen, we will look at scaling it up based on those learnings. These are the two large cuisines as you are aware in India and therefore, we will be looking at participating in those.

On the question on Dunkin' Donuts, Dunkin' Donuts is a very powerful brand that has got strong resonance in many markets. We as of now have 30 stores of Dunkin'. We have been experimenting the smaller format stores where t we can grow profitably and sustainably with a very, very sharp focus on donuts and on beverages and very limited food portfolio.

Healthier foods, certainly, we are watching this segment very closely. There is a market for health and organic foods. There is also a market for indulgence. As of now, Domino's also has a variety of healthier products, we have a thin crust, whole wheat pizza, which has got very, very strong acceptance from consumers. But we are watching this space very closely. And as and when we feel the need to participate in the segment more closely, we are willing to do so.

We have a very clear strategy on growing all day parts across for Domino's. We believe however that lunch and dinner themselves have a lot of room for growth. So our strategy right now is focused on how do we grow these day parts and the decent day parts of the afternoon snack time. We have no immediate plans or participating in breakfast, however.

You I think raised a terrific point, Mr. Sarkar about our app downloads and our digital ways that we have. Our assets and our digital strength is a huge source of differentiation for us. And we intend to build on that even further. The app base that we have, the customers who transact right now are completely online offer our rich way for us in a very, very powerful way to engage with them more to understand them better, to personalize the experience and to try penetration and consumption.

Your question about do we look at, are we looking at other QSR chains, etc.? We are a Company that are focused on growth and we certainly are going to grow. So as and when opportunities arise, we keep evaluating them and looking at them.

We have, as you are aware, more than 1,300 stores across 280 plus cities for competitive reasons, we would not be sharing data by cities and by the contribution by POS data. But I think, it would be enough to say that we are largest QSR chain in the country, in about 140 towns where there is only QSR available and we define for the QSR experience for most consumers.

Your question about what is an average order count and our ticket size? Again, we do not share these numbers for obvious reasons, comparative reasons of numbers. But I want you to know that we have a very robust mix, which is built on a very powerful order engine. We also have a very strong channel mix between delivery, takeaway, or dine-in, which obviously has gone a little reset because of COVID. But pre-COVID it was a very, very powerful model, and it is coming back post-COVID as well.

Thank you for your suggestion about personalizing the service, Mr. Sarkar that is indeed our intend and our endeavor and one way of doing that is to monitor data that we collect on consumers and that we have, so that we will be able to offer a much more personalized, a much more inclusive experience to our customers.

Mr. Rangwala, your question on competition etc. Yes, we have our eyes focus on competition. But the much bigger objective that we go with is category expansion and category growth. We believe that the overall food market in India is small, underdeveloped both in terms of penetration and in terms of frequency. So our singular focus actually is on growing this category. Your question about COVID impact and I think again Mr. Bhartia called out in his opening remarks, I think from April onwards, post the lockdown, I think your Company has focused on driving recovery. First by opening stores, ensuring that the back end, the supply chain was robust and continue to function, we have got most of our stores operational now across the country.

As you heard Mr. Bhartia, say, in the month of August, my apologies, we had almost 85% of our offered last year sales that come back, within that if you to double click, our delivery sales did much better, and we came back to growth versus was last year, as the takeaway. Dine-in remains soft and we expect dine-in to remain soft in the foreseeable future. However, we expect delivery and takeaway to continue the momentum that we saw in the first quarter and in August.

Your suggestion on running schemes etc. Mr. Rangwala, thank you for that. You can be absolutely sure that we have a very clear focus on driving growth. And whatever we can do to get the growth, we will be investing behind that. We have as you are aware introduced in 2017, the Everyday Value Offer, which allows us to offer consumers, a everyday low price, so therefore, they can come in and try a pizza and then consume them, without waiting for a big day, without waiting for an offer day. And that has worked very well for us. It was right frequency to strike consumption.

There was a question on having a party in Mumbai, nothing would give me greater satisfaction than having a party in Mumbai, it is my favorite city in the country. And indeed we will look at it once COVID is behind us.

Thank you so much for the questions. I think that has covered all the questions. And I am hopeful that I have answered the question that you posed. Of course, if there are follow up questions or more clarity required, you can write to us and we will respond to you. Thank you and I am handing over the proceedings back to the Chairman Sir.

Shyam S. Bhartia:

Thanks, Pratik. Members may note that e-voting on NSDL platform will continue for next 30 minutes. Thereafter the proceedings of the meeting shall be closed. Members who have not cast their vote yet, are requested to do so. The Board of Directors has appointed Mr. Shashikant Tiwari, partner, Chandrasekaran Associates, Practicing Company Secretaries as scrutinizer to supervise the e-voting process.

I hereby authorize Mona Aggarwal, Company Secretary to declare the results of the voting not later than 48 hours of the conclusion of the meeting. Results shall be available on the website of the Company, Stock Exchanges and NSDL.

I once again, thank you all for participating in the AGM.

Mona Aggarwal:

On behalf of the members present, I propose vote of thanks to the Chairman. Thank you everyone.

Moderator:

Dear Members, as advised by the Chairman, the time for e-voting has elapsed and they are of the view that all members who are participating in the Annual General Meeting have been given adequate time and opportunity to vote at the AGM and this concludes the proceedings of the AGM.

Thank you all for participating in the AGM and e-voting.