



Transcript of 15th Annual General Meeting (AGM) of Barbeque-Nation Hospitality Limited (the “Company”) held on Tuesday, August 31, 2021, at 11:00 AM (IST) through Video Conference (“VC”)

Mr. T N Unni, Chairman, Non-Executive, Independent Director:

Good Morning Ladies and Gentlemen. I, T N Unni as the Chairman of your Company, have the great honour and privilege to welcome you all to this 15th Annual General Meeting being held through Video Conference (VC). On behalf of the Board of Directors of the Company, I extend a very warm welcome to all of you to this 15th Annual General Meeting. I presume that you and your family are taking necessary precautions to remain safe and healthy during the ongoing Covid-19 Pandemic.

In view of disruptions caused by Covid-19, the Ministry of Corporate Affairs (MCA) and SEBI have permitted the Companies to hold the Annual General Meeting through Video Conferencing or Other Audio-Visual Means. Accordingly, the AGM of your Company is being held through Video Conferencing (VC).

I call the meeting to order, as we have the requisite quorum present through VC to conduct the proceedings of this meeting. Participation of members through VC is being reckoned for the purpose of quorum as per the circulars issued by MCA and as per Section 103 of the Companies Act, 2013. This meeting is being held through VC in accordance with the circulars issued by the MCA and SEBI.

MCA and SEBI have issued Circulars dispensing the requirement of dispatching the physical copies of Notice for this AGM. Hence, Notice of this Meeting have been sent electronically to all the Members entitled to receive the same. I, therefore, Ladies and Gentlemen, with your permission, take the Notice as read.

Before starting the proceedings, let me introduce the Directors and others present through VC in today's AGM.

Directors Present:

1. Mr. Abhay Chaudhari, Independent director
2. Mr. Kayum Dhanani, Managing Director
3. Mr. Raof Razak Dhanani, Non-Executive Director
4. Mrs. Suchitra Dhanani, Non-Executive Director
5. Mr. Tarun Khanna, Non-Executive Director
6. Mr. Rahul Agrawal, Chief Executive Officer & Whole-Time Director
7. Mr. Devijit Singh, Non-Executive Director

Key Managerial Personnel Present:

1. Mr. Amit V Betala, Chief Financial Officer
2. Ms. Nagamani CY, Company Secretary & Compliance Officer

Others Present:

1. Mr. Sathya P Koushik, Representative of Messrs. Deloitte Haskins & Sells, Statutory Auditors
2. Mr. Vijayakrishna K T, Secretarial Auditor
3. Mr. Parameshwar G Bhat, Scrutinizer for this AGM

Now I request Ms. Nagamani, Company Secretary, to provide general instructions to the members regarding participation in this meeting.

Ms. Nagamani, Company Secretary & Compliance Officer:

Thank you, Sir.

Good Morning Dear Members.

- The Company has enabled the Members to participate at the 15th AGM through the video conferencing facility provided by CDSL in compliance with the applicable circulars issued by the Ministry of Corporate Affairs and SEBI.
- Facility for joining this meeting through video conference has been made available for members on a first-come-first serve basis. All the members who have joined are by default placed on mute by the moderator. When the session on question and answer commences, the speaker member will be unmuted by the Moderator. Members have been provided with the facility to exercise their right to vote by electronic means, both through remote e-voting and e-voting at the AGM in accordance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations.
- The Members joining the meeting through VC, who have not already casted their vote by means of remote e-voting, may vote through e-voting facility provided by CDSL, which would be closed along with closure of the Meeting.
- The Company has appointed Mr. Parameshwar G Bhat, Practising Company Secretary, as the Scrutinizer who will collate the voting results of the remote e-voting and the e-voting at the e-AGM for each of the items as per the Notice.
- Representations under Section 113 of the Companies Act, 2013, have been received from our Promoters.
- Members are requested to refer additional information provided in the Notes to AGM Notice and for seamless participation through video conference. In case if any member faces any difficulty, they may reach out CDSL on the helpline numbers given in the Notice.
- The Register of Directors and Key Managerial Personnel, the Register of Contracts or Arrangements, has been made available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send their requests to compliance@barbequonation.com.
- As the AGM is being held through VC, the facility for appointment of proxies by the Members is not applicable and hence, the proxy register for inspection is not available.

- The Company has received requests from a few Members to register them as speakers at the meeting. Accordingly, the floor will be open for these Members to ask questions or express their views. The Moderator will facilitate this session once the Chairman opens the floor for questions and answers.
- Members may also note that the Company reserves the right to limit the number of members asking questions depending on the availability of time.

Thank you very much. I hand over to the Chairman to continue with the proceedings.

Mr. T N Unni:

Thank you, Ms. Nagamani. The Company has taken all the efforts feasible under the circumstances to enable Members to participate and vote on the items being considered at the meeting. Now I request Mr. Kayum Dhanani, Managing Director to address the shareholders, followed by Mr. Rahul Agrawal, Chief Executive Officer & Whole Time Director of the company to address the Shareholders on the performance and various initiatives undertaken by the company during the financial year 2020-21 and the first quarter of the current financial year 2021-22.

Mr. Kayum Dhanani, Managing Director:

Good afternoon to all shareholders and the stakeholders. Hope you and your loved ones are all safe and healthy.

FY21 was a challenging year but also a year of learnings, resilience and strength. Barbeque Nation had a difficult start of the year due to pandemic related nationwide lockdowns. Significant part of FY21 was impacted due to COVID and all economic activities including restaurants were completely closed followed by gradual reopening of the business.

With the gradual reopening of the economy and relaxation of the restrictions in the latter part of FY21, we ended Q4 of FY21 on a strong note, registering a robust top line growth for the quarter. Our resilience in these trying times and focus on adapting to the changing times has held us in good stead.

We have transformed from a casual dining restaurant chain during pre-pandemic era to a diversified food services company by strengthening our core barbeque nation brand, foraying into the delivery space across two cuisines, building our digital assets and gradually growing the Toscano brand. Moving from business continuity to focus on expansion, the organization has maneuvered efficiently during the challenging and changing times. We have added delivery as a new line of business on top of our dine-in business with focus on product, menu and delivery experience.

Our digital asset continues to grow with increased and improved touch points with customers, employees and all other stakeholders. We are also focused on gradually building the Toscano brand and increase its presence across the country.

We pioneered the launch of yet another innovative product, Barbeque-in-a-box to cater to growing delivery segment. The initial response for Barbeque-in-a-box has been very encouraging and is in continuation of our brand ethos of value, variety and celebrations. The pandemic has aided the acceleration of the delivery business, with more customers ordering in and switching to digital means. This shift in consumer behavior will help in driving the delivery segment, while the gradual reopening of the restaurants will bring our dine-in back on

track. This diversification has led to significant growth in our delivery business and helped in mitigating the loss in revenue of our dine-in business.

The organization has also demonstrated agility in managing its costs and was successful in cost optimization across many levels. Our long term relationship with our landlords and vendors have led to obtaining rental waivers and restructuring of vendor contracts to compensate for the slowdown in the general business environment.

We are happy that despite the challenging external operating environment, we were successful in completing a capital raise of Rs.330 crores and are thankful to all our investors for their trust and belief in the brand and in our organization. Our people-centric approach is deep rooted in our values and staff safety has been of utmost importance. We have vaccinated 100% of our employees with the first dose of vaccination and are focused on getting them completely vaccinated as soon as possible.

We have been ranked 10th as the Best Companies to Work for in India 2021 by Great Place to Work.

I would like to take this opportunity to thank all our stakeholders for their perseverance and support. All our people have worked tirelessly to ensure that we continue to serve our customers with delight. I would also like to thank our shareholders for the trust, support and confidence reposed in us.

With this, I will now hand over to Rahul for further proceedings. Thank you.

Mr. Rahul Agrawal, Chief Executive Officer & Whole Time Director:

Thank you Kayum. Good morning all. I hope you all are safe and healthy. I have a brief presentation wherein I'll cover the broad industry overview, company overview, our journey during the tough times of the previous year and then lastly our strategy for the future.

We believe that India is a land of humungous opportunities for our sector. The country is poised to grow at double digits nominal GDP growth rate. We are now already sixth largest economy in the world in terms of nominal GDP and third largest in terms of purchasing power parity and the most important part of our GDP is that this is largely composed of household final consumption, which accounts for almost 60% of total GDP, and that augurs extremely well for our food services sector.

We strongly believe that the consumption sector is poised to grow well over the next decade, which is led by a variety of factors, namely, the median age of the population in our country, which is approximately 29 years as compared to many other developed economies where in the median age is late 30s to early 40s. There is growing urbanization in our economy, with various Smart City initiatives. The urbanization percentage is expected to grow up further from around 35% in 2019, to around 37% in 2025. We're also seeing increased participation of woman in the workforce, almost growing up by 7% points, we have already seen that happening and the eating out culture is also going up extremely well. The instances of eating out in a month has grown from 5.7 to around 6.3 and you can compare this to various developed economies like Singapore or Hong Kong, where the eating out culture is approximately 25 to 30 times in a month. Similarly, the ordering segment has also grown extremely well and we are also well positioned to take advantage of that. If I look at the sector as such, the overall Food Services market has grown at a CAGR of around 8%, over last five years from 2015 to 2020 and expected to grow at 9%. We're also seeing a big shift happening

from the unorganized market to organized market. India is largely an unorganized market in terms of food services, almost two thirds of the market is unorganized. Now we're seeing a lot of these shifting from unorganized to organized and that's why the organized market is expected to grow at almost 1.5-1.7 times of the overall Food Services market. The nature of the industry also is that it is highly fragmented, there are very few chain players, but chain player also has a distinct advantage of it being having a brand recall and during these times of COVID, we've seen that the chain market has grown very well. Historically also, if you look at last five years, the chain market has grown at approximately 19%, and in future, it is expected to grow at around 21%. Our Company has also been beneficiary of this and if you look at our growth rate over the last five years similar period, as compared to the chain industry market growth rate around 19%, we have grown at around 23%.

India is a very diverse country in terms of eating habits. However, top three cuisines account for almost 58% of the overall Food Services market. The top three cuisines are North Indian, which is by far the leader at around 27% market share, Chinese which is around 19%, Italian which is around 12% and the company's current portfolio is present across 39% of the food services segment which is again extremely beneficial in order to look at the growth opportunities in future.

With that, I'll now come to the company overview. As we all know, we are a leading food services company with a strong dine-in and delivery presence. Our dine-in offering has been around for now 15 years and we are a destination brand for celebration. We are broadly known for three things; one is value for money. We have a fixed price concept where you can have all you can eat offering. We are known for service. This is something that we live by on a daily basis thirdly we provide experience which comes from the live grill on the table and various other live counters that we have in our restaurants. We also have a delivery offering, which has grown extremely well during COVID. This has two segments, one is UBQ which is the A-LA-CARTE offering by us in the North Indian cuisine and the second is something that we launched last year during COVID called Barbeque-in-a-box, which Kayum mentioned about and this has done extremely well for us. And our third segment is Toscano which is in the Italian cuisine. Again, this segment has three broad value proposition, one is it is aspirational, it is experiential and it also offers great value. It offers almost five-star experience at three star prices.

We have grown our networks extremely well, grown from 18 outlets in FY 12 to 164 outlets in FY 20. This is almost a CAGR of around 32%. In FY 21, our focus was more on business stabilization and hence we did not grow the network but focused on preserving the existing network that we had. And now, this year onwards, we have started our growth and as of June 30 2021, we have 166 outlets, which includes 149 outlets of Barbeque Nation in India, 6 Barbeque Nation in international markets and 11 Restaurants under the brand of Toscano. Similar to our expansion of network, our revenue has also grown at a CAGR of around 27%, which is almost 6.5 (six and a half) times of FY 12 numbers of around ~130 crores growing up to around ~850 crores by FY 20. Again, FY 21 was impacted due to COVID. But we tried to recover as much as possible during the later half of the year given that the business was significantly impacted in at least quarter one and part of quarter two. Very strong margins in our business and we have delivered consistent margins at EBITDA level, both at the standalone and consolidated levels. Our standalone margin have been extremely strong. If you look at the horizon of around nine years from FY12 to FY19, our average margin during this period was approximately ~14 percentage. On consolidated basis, in the initial years of

our investment phase in international business and some acquisitions, we had some difference between our margins of consolidated level and standalone level. But today, I think I'm extremely happy to share that our international business is now stabilized and profitable and whatever our losses from the discontinued business is now behind us. Overall the difference between the consolidated margins at EBITDA and standalone margins is no longer there. I'm also very proud to share that both in FY20 and FY21, despite the impact of COVID, we managed to not report significant losses at operating EBITDA level. Despite the tough year of FY21 we only had EBITDA loss of ~1% which as an absolute value is approximately 5 crores. We have very strong competitive advantage for the future and some of these also flow from the basic foundations of how we built this business. One, we provide great value to our customers, we are present in a segment which is fast growing, value for money and people who need to celebrate something, come to our restaurants. Our organization is extremely focused on customers and employees, and this is the basic foundation on which your company is built. That's how we have taken it step by step every year and this is something which we will preserve to ensure that the company grows extremely well. We have also invested a lot in our backend, despite the fact that we have grown and profitability grown, we have been strengthening our backend. We have a very strong store opening process and a streamlined supply chain. Some of these are always in constant improvement phase. We have spent a lot on digital capability, I have a slide on that going forward, which is both from the backend perspective and also from the front end customer perspective. Also the business is now poised for scalability. We are already the largest casual dine-in/food services company in the country. And given the way we see the opportunity of growth in India and in the consumer sector, we believe that we will scale up further. From a people-centric culture, we secured 10th rank in Best Companies to Work by Great Place to Work. We also ranked as 14th Best Large Workplaces in Asia, and also among top 10 in the F&B space in the country.

Shifting gears to FY21, this was definitely one of the most challenging years in the history of Barbeque Nation and we've seen that as a business, we have learnt a lot during this phase and also made some structural changes in the business which will help us in many years to come. So if I had to summarize, how did we manage COVID-19, broadly I've presented it in five segments and covered what the situation was pre-COVID, during COVID and the current situation. So if you look at our network, we had 164 restaurants pre-COVID. During COVID, there was various lockdown restrictions, capacity restrictions, timing restrictions but we maneuvered through all of these, worked very well with our landlord partners, and tried and seek as much waivers so that it works for both parties. Ultimately we tried to protect the entire network that we have so that the business stabilizes and as of end of FY21, we had exactly 164 restaurants. We did not grow in FY 21, because the focus was more on stability. And now we have restarted of our growth phase. We have already opened two restaurants in the first quarter and have 8 restaurant pipeline of new stores for FY21. Pre-COVID, the business was predominantly dine-in business focused, our delivery business was approximately 2% to 3% of sales. During COVID, we focused a lot on our delivery segment and launched initiatives like Barbeque-in-a-Box, various sub-categories of that and also streamlined the menus of the main UBQ and we clearly got benefited by that. And in FY21 itself, the delivery business has grown by almost 3x of what we did in FY21 pre-COVID numbers. Pre-COVID, we used to have strong operating margins, and we were beneficiary of that during COVID also. While we lost money when our margins were negative in quarter one and quarter two, we recouped a large part of that in quarter three and quarter four, and through various other cost optimization measures. By end of quarter 4 FY21, we had reported strong operating margins and did marginal

operating loss in FY21. In terms of growth, as I mentioned, we used to open around 25 outlets every year in the three years before pandemic. During COVID, the focus was on stabilization and now we started off with focus on growth. This year, we've taken a target of around 20 stores in FY22. I'm extremely confident that we will meet that target. The Balance Sheet was also leveraged. We had filed our DRHP for fund raising just before COVID in order to correct that leverage position. But unfortunately, COVID happened and we were caught on the wrong timing. But despite that, we were extremely proactive in raising capital and through two rounds of pre IPO and during IPO, we raised approximately ~330 crores. As of today, our Balance Sheet is extremely strong and we are a net cash positive company.

From the people perspective, as Kayum also mentioned, we're very proactive to vaccinate all our employees. As of today 100% of our employees are vaccinated with at least one dose. We're in constant touch with our employees to ensure that whenever their second dose is due, we will vaccinate all of them. Both during the first lockdown phase and during the second lockdown phase, we had taken large scale measures to ensure that our employees, who are our real assets, are safe and healthy during this tough time.

Also during the COVID the focus was also on recovery and we're very proactive in ensuring that we reopen as many of our outlets as the government allows that and you will see a clear trend in terms of recovery in quarter one and quarter two of last year. The recovery was muted, but by the end of quarter four we had already done almost 120% of what we did in quarter four of the previous year. During the second wave itself, our recovery has been very strong and it is much better than what we had in quarter one. And that is pre-dominantly because we have done structural changes in the business which leads to revenues coming from things like delivery. Our dine-in business has also shown strong recovery by second half of last year and this year again. Quarter one got impacted but by July, we're also seeing good recovery now on dine-in numbers. On delivery as we mentioned, we had done almost 3x of what we did in FY20 and FY21. And that momentum we are seeing to continue in quarter one of FY22. So delivery is one of the prime focus for us and we should continue in our view to almost have 15-20% of our total revenue.

Shifting to strategy for future. We have kept it very simple. We want to focus on four things. One is, expand the core Barbeque Nation brand, that we have been building up over last 15 years. We want to build delivery and grow the portfolio. We have Toscano, which we want to grow further and drive digital for more cost efficiencies and engaging the customers well. On the core brand side, our restaurant work has now grown to around 155 restaurants. Almost 9x growth from FY12 - FY20. While the business focus on stability in FY21 we have now restarted to grow. As I mentioned we are present across 78 cities today. This year, we might add another 3-4 cities, apart from adding more restaurants to the existing metro and tier-2 markets. International, we have now 6 outlets in 4 cities. We're very opportunistic about looking at that and if we get right transactions, we might add, maybe one or two outlets in that market.

On delivery side, it's a large market and we already do delivery from approximately 170 delivery kitchens. Our delivery currently is done from our own restaurants. But we're also now exploring to open up more extension kitchens so that we can reach closer to our guests and customers. We also want to drive this delivery from our own app. The contribution of our app on delivery site is slowly and steadily increasing, quarter on quarter. We also want to leverage the smiles loyalty program that we have, so the guests who dine-in with us get this smiles loyalty which they can redeem on delivery front. The entire ecosystem is working extremely

well for us. On delivery front, we work with almost all the aggregators on the food demand generation side and also on the third party logistics side. So overall, in this manner, the entire delivery operations have been managed pretty efficiently.

We also did product innovation, we spoke about it. Barbeque-in-a-box has done extremely well. Almost 75% of our delivery business comes from the box product. Over the period of time, we also launched sub-categories of box product, be it, Grills in a box, Meals in a box, Overload box, Biryani and Kebab box. Box product also speak the same language as our core Barbeque Nation brand, which is value, experience and variety. And that's the reason why we believe that this business has done extremely well. On Toscano front, I am very happy with the way they have reacted to the COVID scenario. The focus now is to expand the restaurant network, grow delivery in that segment. The segment of Italian cuisine is very poised for delivery. We will also work on various cost synergies and cross-functional capabilities with the core Barbeque Nation brand. On Toscano, just to give a brief it is largely a Bangalore based brand. But post integrating with the Barbeque Nation company, we have now expanded to 2 more cities and plan to grow it slowly and steadily PAN India.

On the digital front, like I mentioned, done a lot of things both from the front-end customer perspective and also from the back end. From the front-end perspective, we have a Barbeque Nation app that we invested in almost three years back. We are seeing the traffic coming from our own app and web, both from the reservation perspective, delivery perspective, and the loyalty point perspective are doing extremely well for us. We have a good centralized reservation system, which talks to a lot of aggregators and we have seamless connectivity through all the other platforms, be it our own reservation center at the restaurant or our app or on the web. We have a very strong customer feedback mechanism. We have a GSI wherein we take feedback and that feedback is given back to the teams on the floor, almost immediately. On the backend side we have a very strong in-house Business Insights tool, wherein we track almost every metrics of one particular restaurant or a group of restaurant and is available for teams to analyze and take decisions. Well implemented ERP system in the company, and people is a big portion of it. We work with external platform, wherein all the variables around people management is all controlled on cloud. On the digital side, the company has been always very proactive to think, what are the business solutions that you can do more efficiently by the use of tech.

On the tech front, if you look at the percentage of business that is coming from own digital platform, and we define own digital platform as our own web and app. The portion of business coming from that is constantly increasing. In FY 17, only 6% of our business used to come from our own app, and large part is to come from our call centers. But now that is shifting in last three years, almost 1/4th of our business comes from our own digital assets.

Moving at FY22, again, we got hit by a second wave in the first quarter. But our focus is extremely clear, ensuring the safety for guests and employees and that's how we are ensuring that all our employees are vaccinated. We'll continue to drive cost optimization and have done significant reduction in our operating costs in the first quarter when the second wave hit us,.

As things get relaxed, as more and more State Governments and District governments are allowing us to reopen outlets, we are reopening them and gradually seeing some improvement in the dine-in business. Our delivery focus will remain, given we wanted to grow our delivery business by 2x of last year, but in the first four months, we've grown at almost 3x. As dine-in picks up, we might see some ups and downs on delivery business, but on long term, we are

very strong believers in our delivery business. We wanted to add 20 restaurants this year. We only launched 2 in quarter one and we have around 8 restaurants under construction as of now. So in a nutshell, I think our priorities for FY22 is clear and we should be able to meet what we are aiming for. Going forward, pre-COVID we were a casual dining restaurant company, I think now we are we are transforming into a full-fledged food services company, with focus both on dining and delivery, and other segments of cuisines like Italian, and also driving digital assets to connect well with our customers. With that, I will close my presentation and happy to take any Q&A when the Chairman allows us to. Thank you.

Mr. T N Unni:

Thank you.

Thank you, Mr. Kayum Dhanani and Mr. Rahul Agrawal. And I also thank the shareholders for showing their forbearance and tolerating the brief technical disruption.

Thank you. We will now resume the proceedings. As the notice is already circulated to all the members, may I please take the notice of the meeting as read. I now request Ms. Nagamani, Company Secretary, to provide a summary of the Auditor's Report.

Ms. Nagamani:

Thank you, Sir.

The Statutory Auditors, Deloitte Haskins and Sells and the Secretarial Auditor Mr. Vijay Krishna K T, have expressed unqualified opinion in their respective Audit Reports for the financial year ended March 31, 2021. There was no qualifications or observations or any adverse comments on the financial statements, both in standalone and consolidated and in the secretarial audit report, which have any material bearing on the functioning of the company. Copies of the statutory auditor's report and secretarial audit report are enclosed as part of the Annual Report. Thank you. I now hand over to the Chairman to continue with the rest of the proceedings.

Mr. T N Unni:

Thank you, Ms. Nagamani. With the consent of the members, I take the independent auditor's report and secretarial audit report as read.

As per the Secretarial Standards, I'll request Ms. Nagamani, Company Secretary of the company to briefly explain the background of all the five resolutions proposed to be passed at this Annual General Meeting for the benefit of all the members present.

Ms. Nagamani:

Thank you Sir.

In the ordinary business, we have three resolutions:

1. The first item is adoption of financial statements for the financial year ended March 31, 2021. The financial year of the company was April 2020 to March 2021. Accordingly the standalone and consolidated financial statements have been prepared for April 1, 2020 to March 31, 2021. Accordingly, the standalone and consolidated financial statements together with the Board's report, Secretarial audit report and the Auditor's

Report are placed before the members for consideration and adoption as ordinary resolution Number 1.

2. Item number 2 is reappointment of Mrs. Suchitra Dhanani, Director, who retires by rotation. As per the Companies Act, 1/3rd of total number of non-executive directors who are liable to retire by rotation, are liable to retire by rotation at each Annual General Meeting. Accordingly, Mrs. Suchitra Dhanani retires at this AGM and seeks for reappointment.
3. Item number 3, reappointment of Mr. Raoof Razak Dhanani, Director, who retires by rotation. As per the companies Act, 1/3rd of total number of non-executive directors who are liable to retire by rotation, are liable to retire by rotation at each Annual General Meeting. Accordingly, Mr. Raoof Razak Dhanani, retires at this Annual General Meeting and seeks for reappointment.

Under special business, we have:

4. Appointment of Mr. Tarun Khanna as a nominee director of the company.
5. Item number 5 under special business, is approval of revision in payment of remuneration to Mr. Rahul Agrawal, Chief Executive Officer and Whole Time Director.

Thank you. Now I hand over to the Chairman.

Mr. T N Unni:

Thank you, Ms. Nagamani. Since the AGM is being held through video conference, we have requested the members to register themselves as speakers in advance. Before proceeding for voting on the resolutions, I invite those registered members to offer their comments and seek clarifications, if any, on the resolutions contained in the notice and financial statements, he/she may do so now.

In the interest of time, I request the speakers to be brief, and avoid repeating the questions or comments made by earlier speakers. Each speaker is requested to speak for a maximum period of two minutes. Members are requested to mention their names, and their folio ID or client ID before asking their questions. Consolidated replies will be furnished at the end by Mr. Rahul Agrawal and me.

Now I request the moderator to unmute the speakers in the speaking order assigned.

Moderator:

Hello, I've unmuted Abhishek J. So he can speak now.

Mr. Abhishek J, Speaker Shareholder:

Sir, am I audible? Sir, my name is Abhishek, shareholder of the Company. My DP ID is IN301637 and Client ID is 41359155. First of all, I want to congratulate the management on the eve of 15th Annual General-body Meeting.

We are meeting after the public issue and hope all is well with you and your family in this challenging situation. Our company deserves much more respect, that the current market cap after completing successful operations, profitability and hope that the management will be rewarding the minority shareholders with a huge dividend in the years to come. I would like to know how our business has been impacted in these challenging time of these past two years?

The Coronavirus and the subsequent lockdowns have left no industry, after the COVID pandemic, so, any employee salary cut in percentage, if any, and what are the other cost cutting initiatives being done by the management and what is the view of the management going forward, sustainable profit earning growth will remain challenging in the coming quarters?

So I would request the management since it is a first AGM for us after the IPO, I would request you to kindly take part in concall, quarterly presentations and meeting with global investors. And this will help the management to grow further in the years to come. And already the management has given a very good reward to the shareholders that we can see that the share prices are accelerating in the market. And we're really thankful to the management for all their efforts to bring this company to this particular extent.

I hope that our company will flourish in the years to come and I humbly request from the other shareholders who could not join today in the video conference and due to the technical glitch of this digital platform. They request us shareholder's appreciation coupon may be provided or discount coupon as well as a voucher which can be encashed in the Barbeque Nation Hospitality. So I would request your goodselves to provide a coupon and this to be taken up and to be provide at an appropriate time, which may be claimed in Diwali, as and when you feel comfortable. What are the management efforts to reduce the other expenses, legal professional charges and audit fees? Sir, myself and my team are running a legal firm in the name and style of "Abhishek & Associates" in Chennai. So, I request to kindly enroll our firm in the panel of your company and we will be glad to extend our services, if any, required in Chennai. I will get in touch with legal team as well and I will share my credentials too, Sir.

Nothing much to ask Sir. Wish the company and the Board of Directors a great success and prosperity in the coming future. And thank you very much Sir. Thank you for giving the opportunity. Thank you.

Mr. Rahul Agrawal:

Thank you. Thank you, Mr. Abhishek. Thank you for your kind words. So I think you also asked about our cost measures and how we cope through the tough times of Covid-19 crisis. In the presentation I have covered some bit of it. So you must have seen that. But just to give you some perspective, I think two of the largest cost for us was operating costs and the lease costs. We were very proactive in discussing with our landlord partners and they were very supportive and sympathetic and have given us some waivers which helps us to save costs on that. On the other operating costs, we renegotiated some of our vendor contracts and also worked more efficiently to run the outlets which helped in the faster recovery as you would have seen in H2. We are very proactive in also declaring our results on time and also sharing perspective through investor calls and we will continue to do that in future. Thank you and I wish you also all the best for your venture. Thank you.

Mr. T N Unni:

What's the next query please?

Moderator:

I've unmuted Bharat Raj. Now he can speak.

Mr. Bharat Raj, Speaker Shareholder:

Very Good morning, Mr. Chairman and entire Board of directors.

I thank the management for successfully completing the IPO. Yes, the entire country is with you and very happy sir my share price has been double now. Because of the strong restaurant chains in India and the strong management team which creates now our share, we can see the results through the share price. I'm very happy sir. I thank Ms. Nagamani for arranging wonderful video conference and the secretarial team. Mr. Rahul Agrawal, CEO, thank you for giving an inside picture. Now around 155 restaurants across 78 cities and 6 International restaurants are there. Sir, we have collected around 600 crores of rupees, May I know how these funds has been utilized? IPO funds, how it has been utilized? May I know the break up sir? And second thing, Mr. Rahul, what is the future for the next five years sir?. Now around 160 restaurants are there. In next 5 years, can we expect 500 restaurants under the leadership of our Chairman? Can we expect in B-class and C-class, any segments, to enter into the B class and C class areas also? Is our board interested to enter into the C class cities also? That is my second question sir. Sir, in this pandemic, are the entire employees vaccinated? In your speech, you have told sir. Any death calamity happened sir? How you and your staff has taken care of them? Any salary cut for the staff? and has the board taken any salary cut or commission cut? That is my question sir. Sir, what is the average revenue of a restaurant sir? May I know that average revenue of a restaurant and which is the top sales restaurant? In which city are we getting highest sales and which restaurant sir? I am basically from Hyderabad Sir. 15 years back, I was walking into Banjara Hills restaurant. The ambience, the service, even after 15 years also we are seeing the same taste and the same ambience and same respect from the staff sir. This is what a strong restaurant chains. I'm very proud of our chairman sir. The way you created the Barbeque Nations, a global restaurant are very proud of you, sir. Even in entire Hyderabad wherever you go, you will get the same taste, same quality and same respect and honor from the staff, Sir. I'm very proud of you, sir. Thank you, sir.

Once again, in this occasion, sir, we have successfully completed IPO. Can we get a complimentary from our company this first IPO and first AGM? Can you arrange a complimentary dinner to my family sir in Hyderabad at Banjara hills, for four people, sir? Because you have successfully completed IPO and we're successfully doing the AGM. We wish the chairman please consider it sir. I'll be more happy, sir. I'll take my family once again to the Barbeque Nation. We will have a happy dinner, sir. And once again, all the best for next coming years. We're always with you, sir. We strongly support all the resolutions and thank you, Ms. Nagamani. And thank you very much sir.

Mr. Rahul Agrawal:

Thank you, thank you Mr. Bharat. Just to briefly touch upon your queries. On the capital raise, the company has done a capital raise of approximately 330 crores last year, out of which around 250 crores have gone towards the repayment of debt and balance around 55 crores has gone towards expansion of future restaurants. And the balance money is for general corporate purposes.

In terms of our expansion, yes, we want to go to tier two and tier three towns, I believe, if that's what you meant by Class B and Class C cities. But it also depends on what is the market and is the market matured enough to take these kinds of restaurant now. But I'm very happy to share that we are seeing increasingly more and more cities being opening up for us. And it is about prudent capital allocation, do you want to expand in a metro market where your potential

is higher or a tier two market. But let me assure you we are trying to maintain right balance. We will try and keep at least 70%% of our restaurants in tier one and Metro and balance 30% in tier two and tier three. In terms of staff casualty, yes, we had approximately 100 cases of COVID. We lost three of our team members and the company has ensured that we take care of their salaries for at least one quarter and post that we have an extensive insurance program wherein three years of their salaries are covered. So, this insurance program, which is being given to them. Our human resource team is also working with their families to also ensure if they can give employment to some other members of their family.

In terms of average revenue per restaurant, we do approximately at entire portfolio level 6 crore rupees. This was just before pandemic. Post pandemic, obviously, there have been disruptions. It's very difficult for me to share which is the highest selling restaurant but yes, I do agree with you that Banjara Hill has been doing extremely well. And we will be happy to invite you to our restaurants. You know, I request Nagamani to coordinate that for you as possible. Thank you Sir.

Mr. T N Unni:

So any other query?

Any other member?

Moderator:

Yes, I have unmuted Santosh Kumar. Now he can speak.

Mr. Santosh Kumar, Speaker Shareholder:

Namaskar. I wish good health to all employees and directors during this COVID-19 pandemic. I would like to take this opportunity to express my heartfelt condolences to the grieving families who lost their loved ones. I pray their souls rest in peace. Sir, I had sent my questions to you regarding the expenses, occupancy of hotel rooms, rain-water harvesting, renewable energy and vaccination. Lastly, I wish 2021 brings happiness and wellness to all. Namaskar.

Mr. Rahul Agrawal:

Thank you Santosh ji. We have received your questions. I will answer your questions one by one and hope you are satisfied with my answers. Firstly, you asked regarding cost-cutting measures taken by us during Covid. Like I mentioned earlier, we cut down our rent and other operating expenses, because of which we could sustain our operations last year. You asked about occupancy of our hotel rooms. Sir, we are not in hotel business. We are into restaurant business and we don't track it through occupancy. We track it by number of people dine-in. Last year, we compared our performance as a percentage of previous years' percentage. Like I said during my presentation, in quarter-4, we already achieved 120% of our business. You also asked what was our Capex plan for future growth. Like I said, for next 10 years, there are lot of opportunities and even now, we are not completely out of Covid. We are creating a balance between growth and stabilization. We have already started with our growth and we have a target of opening 20 outlets this year. You also asked about water consumption, energy-saving and solar rooftop. Our nature of business is different. We are in a mall or occupy one floor in an independent standalone building as compared to 7-8 floors. So, getting solar rooftop just for us is little difficult. But for energy-saving, we have separate meters to track energy consumption of units by each equipment and we try to optimize it. Broadly, we saved

around 15% energy units in FY20 as compared to previous year. We only work with LED lightings now and do a lot of energy saving through system. You also asked about how many employees did we add. Last year, we added approximately 7,000 people. This was also because of lockdown, wherein many of our employees left for their native and did not return. So, we had to hire new people from outside. But on overall basis, there was no much change in our employees count. Approximately, 95% of employees work in outlets and around 5% work in back-end, which is either in corporate office or regional offices. You also asked about cost cutting and in that salary-cuts. As 95% of our employees works in the restaurants, there was no reduction in their salaries. Our Board did not take any remuneration and as a CEO, I took 50% salary-cut in first half and at senior management level, the salary cut is around 10%-50%. So, almost everybody has contributed to revive the business during last year. In terms of vaccination, Sir, your last question, all our employees are 100% vaccinated. We are already in second drive now. It's been three and half months since vaccination for age group 18-45 was opened, and now slowly, due dates for 2nd dose is coming up now, given that there is 84 days' gap. I believe that within next few months, we will be able to double vaccinate all our employees. Thank you for your kind words, Sir. We wish you all safe health and to your loved ones.

Mr. T N Unni:

Any more questions?

Any more questions?

Moderator:

No Sir. There were only three speaker shareholders.

Mr. T N Unni:

We shall resume the normal proceedings.

Now members, who are yet to vote, are now requested to cast their votes using the E-voting facility of CDSL. E-voting facility will be available for 30 more minutes from the conclusion of this AGM. The results of the remote voting and E-voting during the AGM will be declared on receipt of scrutiniser's report and placed on company's website and sent to stock exchange.

As per the Companies (Management and Administration) Rules, 2014, results have to be declared by Chairman or any other person authorized by Chairman in writing.

Now, the proceedings of this Annual General Meeting are nearing completion. And as there is no other matter to be discussed, on behalf of the Board of Directors, I thank you all for participating in the meeting amidst Covid-19 pandemic, I hereby declare the proceedings of this annual general meeting as closed and wish all of you and your family safe.

Thank you.

Note: This transcript has been edited to improve readability and does not purport to be a verbatim record of the proceedings.

Disclaimer:

This Transcript contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Barbeque-Nation Hospitality Limited (“Barbeque Nation” or the Company) future business developments and economic performance.

While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Barbeque Nation undertakes no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances.