



TRANSCRIPT OF THE 47TH ANNUAL GENERAL MEETING OF METRO BRANDS LIMITED HELD ON 19TH SEPTEMBER, 2024, AT 3:00 P.M. THROUGH VIDEO CONFERENCING (VC) / OTHER AUDIO-VISUAL MEANS (OAVM)

Mr. Rafique Abdul Malik – Chairman:

Good afternoon, everyone. I extend my hearty and cordial welcome to all of you at the 47th Annual General Meeting of your Company. I am Rafique Malik, Chairman of your Company. I am attending this meeting from Mumbai through video conferencing. Today is thursday, 19th September, 2024 and the meeting commenced at 3 p.m. Quorum for the meeting is present. I now request Ms. Deepa, our Company Secretary, to introduce the directors and invitees and explain the general instructions regarding participation and voting at this meeting. Thank you.

Ms. Deepa Sood - Senior VP – Legal, Company Secretary and Compliance Officer:

Thank you, Chairman Sir. Good afternoon, everyone. I, Deepa Sood, Senior Vice President Legal, Company Secretary and Compliance Officer of Metro Brands Limited, I am attending this meeting from Mumbai. This meeting is being held through Video Conferencing without physical presence of the members at a common venue. This meeting is in compliance with the Secretarial Standards, MCA and SEBI Circulars. I would like to inform you all that the facility to join this meeting was open 30 minutes before the time scheduled for this meeting and shall be kept open for 30 minutes after the scheduled time of the meeting for e-Voting. The facility to appoint proxy to attend is not available for this AGM. However, the body corporates were entitled to appoint authorized representatives to attend the AGM through VC/OAVM, other audio-visual means and participate and cast their votes through e-Voting. The statutory registers and other documents as required under the Companies Act 2013 are kept open and accessible for electronic inspection during the continuance of the meeting. I would like to introduce other directors, KMPs, auditors and scrutinizers present at the meeting.

We have with us:

- Ms. Farah Malik Bhanji – Managing Director of the Company and Chairperson of: (1) the Risk Management Committee; (2) Corporate Social Responsibility & Sustainability Committee; (3) Share Allotment and Transfer Committee and (4) member of Audit Committee; Stakeholders' Relationship Committee and Investment Committee joining from Mumbai.
- Mr. Iqbal Dossani – Whole-time Director of the Company and member of Stakeholders' Relationship Committee, joining from Poland.



- Ms. Alisha Malik – Additional Director in the capacity of Whole-time Director, joining from Goa.
- Mr. Manoj Maheshwari- Independent Director of the Company, Chairman of Audit Committee and member of Nomination, Remuneration and Compensation Committee, joining from Mumbai.
- Ms. Aruna Advani – Independent Director of the Company and Chairperson of Nomination, Remuneration and Compensation Committee and Stakeholders' Relationship Committee and member of Audit Committee, joining from United Kingdom.
- Mr. Arvind Kumar Singhal, Independent Director of the Company and member of Corporate Social Responsibility & Sustainability Committee, joining from Gurgaon.
- Mr. Vikas Khemani –Independent Director of the Company and member of Audit Committee; Risk Management Committee and Investment Committee joining from Mumbai.
- Mr. Mithun Padam Sacheti – Independent Director of the Company joining from Chennai.
- Mr. Utpal Sheth – Non-Executive Nominee Director of the Company and Chairman of Investment Committee and member of (1) Nomination Remuneration and Compensation Committee and (2) Share Allotment and Transfer Committee, joining from Mumbai.

Mr. Srikanth Velamakanni – Independent Director of the Company and member of Corporate Social Responsibility & Sustainability Committee could not attend the meeting due to preoccupation.

We also have with us - Mr. Nissan Joseph, Chief Executive Officer of our Company, who has joined from USA and Mr. Kaushal Parekh, our Chief Financial Officer, who has joined from Mumbai.

The representatives of Statutory Auditors from M/s. S R B C and Co. LLP, Mr. Firoz Pradhan; and the Secretarial Auditor Mr. A. Sekar have also joined the meeting.

The representatives of Scrutinizer of the Meeting from M/s. Mehta & Mehta, Ms. Ashwini Inamdar and Ms. Alifiya Sapatwala, Practicing Company Secretaries, have also joined us in the meeting.

With this, I will now hand over the proceedings of the meeting to Ms. Farah.



Ms. Farah Malik Bhanji – Managing Director:

Dear Shareholders,

It is with great pleasure that I present to you the 47th Annual Report of Metro Brands Limited for the Financial Year 23-24. I warmly welcome each and every one of you, and I extend my heartfelt thanks for the trust and belief you continue to place in us.

As we reflect on this year, I want to start by addressing the industry's broader landscape. After a period of rapid growth, the footwear industry saw a shift towards more stable growth in FY 23-24. The industry is now growing on a much stronger base, highlighting the enduring strength and resilience of India's consumption story.

Metro Brands Limited also delivered a solid performance in FY 23-24. Our revenue grew by 11.3% reaching Rs. 2,305 crores, while our EBITDA rose by 5.4%, totalling Rs. 703 crores. We also saw an impressive 18% increase in our PAT, reaching 418 crores, with healthy margins of 30.5% in EBITDA and 18.1% in PAT. This growth was consistent across all product categories regions and price ranges.

Operationally, we expanded significantly, adding 97 new stores to our portfolio this year. Over the past six years, despite facing challenges, we've nearly doubled our store count. This expansion underscores the growing demand for our products in both established and emerging markets. Importantly, many of our stores, especially those opened in the last two years, are still in the early phases of their growth journey, which has resulted in revenue per square foot of Rs. 18,700/- for FY 23-24. However, this expansion positions us well in hopes of continued success in the coming years.

Sustainability is not just a buzzword for us, it's a core value that guides how we operate. I'm particularly proud of our recycling initiatives, which demonstrate our commitment to minimizing our environmental impact. In FY 23-24, we were able to recycle the equivalent of 50% of the footwear we sold, and we are aiming even higher. Our ambitious goal is to recycle one pair of shoes for every pair sold within the next two years. It's a challenging task, but one that we are fully committed to achieving.

Our vision remains clear, we aspire to be the go-to destination for our customers' footwear needs, curating a wide variety of styles and designs that cater to every preference. We continue to add brands and categories to our product range, aiming to connect with them on more occasions. We want to shape the future of footwear in India ensuring that every step taken by our customers is in a Metro Brands' pair that they love.



On a personal note and on behalf of the Board, I would like to take this moment to express my deepest gratitude to all the employees and supplier partners who make Metro Brands Limited what it is today. Your hard work and dedication are the foundation of our success. I also extend my sincere thanks to our loyal customers for their unwavering support, and of course, to our shareholders for their continued belief in our vision and potential. And finally, I would like to thank our Independent Directors for their continued support in all our endeavours.

With that, I now invite our CEO, Nissan, to share plans for the future and the trends we expect to shape in the coming year.

Thank you.

Mr. Nissan Joseph – Chief Executive Officer:

Thank you, Farah.

Dear Shareholders, as we bring another successful year for Metro Brands Limited to a close, it is with great pride that I stand before you to reflect on our achievements and outline the promising future that lies ahead. Our resilient performance in FY24, following the significant growth of the previous year, propelled by post-COVID-19 momentum, underscores the inherent strength of our business model.

This success is a testament to years of dedicated effort by our team to deeply understand consumer behaviour and establish our brand as a leader in offering top quality, trendy, and comfortable products.

During our Q1 earnings release in August, I spoke about the challenges our industry faced in the first quarter, including the extended election period, an intense heat wave, and fewer auspicious dates for weddings.

Despite these factors I am confident in the resilience of our business. We anticipate the demand to rebound in the second half of the year and project a year-on-year revenue growth of 12% to 15%.

Looking forward, we remain committed to our long-term goal of achieving revenue growth between 15% to 18%. Our strategic priorities – delivering a world class retail experience and owning our customers' footwear wardrobes – are well aligned with the industry trends and designed to keep us at the forefront of the industry.

To further support our customers aspirations of in-store retail experiences, we are gearing up to launch 225 stores across all our brands over the next two years. Tier 1 and Tier 2 cities and



beyond will be a priority to cater to demand in these emerging markets. The year 23- 24 has been pivotal in our efforts to expand our presence across our customers' footwear wardrobes, aiming to connect with them on more occasions and become their one-stop destination for all their needs.

A significant milestone in this was our strategic partnership with the US-based footwear retailer, Foot Locker, granting us exclusive rights to operate their branded stores in India. This partnership enhances our portfolio with a top tier exclusive range of sports, athleisure and sneaker footwear collections from leading global brands appealing to our discerning customers.

Our premiumization strategy is yielding positive results, with the revenue share from products priced over Rs. 3,000 increasing to 50%, up from 44% in the previous year. This shift reflects the positive response from our customers and reaffirms our commitment to delivering high quality products and an enhanced consumer experience.

FILA, a brand with deep roots in the Indian market has been a key focus since we secured its license last year. Throughout fiscal 23-24, we worked diligently to reposition FILA and re-establish its presence in the Indian athletic space. We have systematically liquidated surplus inventory that did not align with our vision for the brand, reduced the number of exclusive brand outlets, and introduced new products from both global and local vendors. We are confident that a combination of these efforts will assist FILA's penetration in the Indian market.

Looking ahead, we are optimistic about the growth trajectory driven by the immense opportunities presented by the Indian economy and the expanding middle-class segment with increased purchasing power. While the BIS Quality Control Order for footwear presents some challenges, we have proactively adjusted our operations to meet these regulations, including front-loading inventory purchases to mitigate potential supply chain disruptions. We expect to fully align with these regulations and return to optimal inventory levels by the end of fiscal 24-25.

In closing, I would like to express my deepest gratitude to all our stakeholders for being an integral part of our journey. To our Shareholders, thank you for your unwavering confidence and trust in our vision and business model. To our valued customers, you remain at the heart of everything we do. Thank you for your loyalty and support. And to our dedicated team, the true foundation of Metro Brands Limited, your passion and hard work continues to drive our success. We are committed to delivering value to each of our shareholders and stakeholders as we move forward together.

With that, I will turn it back to Deepa.



Ms. Deepa Sood - Senior VP – Legal, Company Secretary and Compliance Officer:

Thank you, Nissan.

The resolutions have been voted through remote e-voting. Therefore, as provided in the Secretarial Standards on General Meetings, there will be no proposing and seconding of resolutions. The objectives and implications of resolutions proposed at the AGM are already set out in Notice and explanatory statement along with the Audited Financial Statements, Board's Report and Auditors' Report for FY 2023-24. The Notice has been circulated to everyone in advance, and is also available on the website of the Company. With your permission, I shall take them as read.

The Reports from Statutory Auditors and Secretarial Auditor do not have qualifications, observations or comments. Therefore, these Reports are not required to be read out in the meeting.

We will be glad to answer any questions, which any Member may like to ask on financial statements or any other matters.

We now move on to our discussions with shareholders who have registered themselves as speakers with the Company for raising their queries or to share their views on any item of the AGM notice or on the Financial Statements for FY 2023-24. Those who have not registered themselves as speakers can communicate and share their comments, if any, through the tab available on the screen for online communication and the same will be answered separately. Further, the shareholders who have not registered themselves and who would like to express their views or raise questions, can write it to the Company at investor.relations@metrobrands.com.

The Company had provided remote e-voting facility to vote between Monday, 16th September, 2024 from 9:00 a.m. and Wednesday, 18th September, 2024 upto 5:00 p.m. (Indian Standard Time), to the members holding shares as on the cut-off date of 12th September 2024. Now in order to provide the facility to those shareholders who have not cast their vote through remote e-voting, the e-voting is open at the meeting and will close after 30 minutes.

M/s. Mehta & Mehta, Practicing Company Secretaries, was appointed as Scrutinizer for conducting the e-voting process in a fair and transparent manner. Their decision will be final with regard to validity and results of the voting through remote e-voting and e-voting during the meeting. On the receipt of final report from the Scrutinizers, the results of the voting along with remote e-voting will be announced within 48 hours from the conclusion of the meeting. The results of voting will be displayed at the registered office and will be placed on the website of the Company once they are declared.



Shareholders who have registered themselves as speakers have received speaking serial number. Request you to remember this number and start your conversation after your name & serial number is announced. Speakers are requested to unmute their microphone before speaking and also enable their camera if they wish to appear on the video. Speakers are requested to mention their name and the location. Answers to the queries raised by the shareholders will be provided once all the speaker shareholders have spoken.

I now invite the speaker shareholders.

Moderator:

Thank you, ma'am. So, our first speaker and second speaker and third, Ms. Lekha Shah, Mr. Satish Shah and Mr. Manjeet Singh is currently not available in the panel. So, we are moving towards the fourth speaker for the day, Mr. Bharat Raj. Mr. Bharat, you are in the panel now. You may enable your video and you can speak.

Mr. Bharat Raj:

Hello. Am I audible, sir?

Moderator:

Yes sir, you are audible.

Mr. Bharat Raj:

Very good afternoon, Mr. Chairman, entire Board of Directors. I am Bharat Raj from Guntur. Wonderful, Chairman speech sir, wonderful results. And thanks for the Secretary team for the in time share with me the link of the Annual Reports. Wonderful CSR program. Chairman, sir, my question is that how many branches are going to open in India at present, this financial year? And in how many states we are present and in Guntur our store is wonderful sir nice showroom. I visited my showroom it is wonderfully designed sir. Chairman sir, apart from this for the expansion of the Company, when do you plan to come into the right issues please let me know. Once again my best wishes to you sir all the best for the coming years. I thank once again for the wonderful performance and God bless you all entire Board of Directors. I am Bharat Raj. Signing off from Guntur. Thank you for giving this opportunity. Thank you.



Moderator:

Thank you, sir. So, our next speaker shareholder Mr. Ravi Kumar is currently not available in the panel. So, we are moving to the sixth speaker, that is Mr. Samrat Sarkar. Mr. Samrat, you are in the panel now. You may enable your video and you can speak.

Mr. Samrat Sarkar:

Hello, am I audible?

Moderator:

Yes sir.

Mr. Samrat Sarkar:

Yeah, good afternoon, everyone. I'm Samrat Sarkar from Kolkata. Thank you for this opportunity. The following three questions. Number one, what was the revenue per square feet per store growth for our fully matured stores as compared to our previous financial year? Have sales growth in these matured stores plateaued or not? My second question would be, as regards to FILA, have we liquidated the entire old inventory? When are we set to open newly repositioned FILA stores? And so, my last question is, what's the arrangement that we have with Foot Locker? Will the merchandise be purchased directly from global brands and sold at a certain markup? What do you mean by power store and core store for Foot Locker? That's it, sir. Thank you so much. All the best.

Moderator:

Thank you, sir. Our last speaker shareholder for the day is Ms. Prakashini Shenoy. Ms. Prakashini, you are in the panel now. You may enable your video and you can speak.

Ms. Prakashini Shenoy:

Am I audible?

Moderator:

Yes ma'am.



Ms. Prakashini Shenoy:

Thank you, madam. I am Prakashini Ganesha Shenoy from Bombay. Respected Honorable Chairman, other dignitaries on the Board, and my fellow shareholders, good afternoon to all of you. I received the AGM report well in time, which is transparent, informative, knowledgeable, and contains all the information as per the Corporate Governance. I thank Ms. Sood and her team for the same. I should not forget to thank Ms. Sangeeta for giving me the link and reminding me of today's meeting. Thank you, Ms. Sangeetha also. The Chairman and the CFO has given a beautiful picture regarding the Company and it's working in all parameters. Thank you, Chairperson and CFO sir. I don't have any questions. All my questions are covered in your opening speech. Sir, last but at the outset, I'm thankful to the board for recommending dividend for the Financial Year 2023-24. I'm also glad that you're doing outstanding work in the field of CSR activities. Congratulations once again to all of you. I'm also glad to know that the Company has done robust performance in field of revenue, PAT, PBT, et cetera, et cetera. Congratulations once again to one and all staff. So last but not the least, Chairman, sir, my personal request to you, please continue with VC so that people all over will have an opportunity to express their views. I wish the Company good luck for a bright future and pray God that the profit of the Company shall reach the peak in due course. So, I strongly and wholeheartedly support all the resolutions put forth in today's meeting. Thank you, Chairperson, Madam.

Moderator:

Thank you, ma'am. With this we are done with the speaker shareholder's part. Now I hand over the proceedings to the Company Secretary to take it further.

Ms. Deepa Sood - Senior VP – Legal, Company Secretary and Compliance Officer:

Thank you everyone for your questions. Before your queries are answered, we invite you all to watch a brief audio visual on our brands Foot Locker, New Era and FILA.

(Audio visual on Foot Locker, New Era and FILA were played)

Ms. Deepa Sood - Senior VP – Legal, Company Secretary and Compliance Officer:

Over to you Nissan.

Mr. Nissan Joseph – Chief Executive Officer:

First of all, thank you to all our Shareholders for their comments and questions. I'll take the first question on how many branches we plan to open and how many states are we in in India.



As you know, we've announced that we want to open 225 stores over the next two years, which does not include our FILA stores. And secondly, today we're in 190 cities in all states in India, and we've targeted an additional 200 cities to grow to in the coming years. With that, I'll turn it over to Kaushal to answer the other questions.

Mr. Kaushal Parekh – Chief Financial Officer:

Thank you, Nissan. There was a question regarding, you know, what's our revenue per square feet and growth of the fully mature store over previous year? Our revenue per square feet for FY24 was comparable with that to FY23. Our fully mature stores have revenue per square feet at least 15% to 20% higher than the overall Company average number that is shown in our presentation. Second question was on our plans for liquidation of FILA old inventory and when we plan to set up new FILA EBOs. Liquidation of old inventory of FILA is on track. As we have said in our Q1 earnings call, we expect to complete it by October of this year. We have also launched a new offering in the current month of September. Also, as we guided earlier, we plan to reposition our brand in FY25 and we plan to open new FILA EBO in the second half of next year. The third question was on overall arrangement with Foot Locker in terms of whether we'll purchase directly from global brands. Yes, we will be purchasing directly from the global brands at a fixed margin. The second question was on a differentiation between Power Store and Core Store. The main differentiator between Power and Core Store is based on the size. Power store will range around 5,000 square feet and upward, and core store will be in the range of around 3,000 square feet and above. With this, we close on the question and answer, and I'll hand it over to Farah.

Ms. Farah Malik Bhanji – Managing Director:

Thank you. I trust that we have responded to all the questions and if any more clarifications are required, you are welcome to get in touch with the Company Secretary or the CFO. Thank you again for all your suggestions and all your good wishes. I would like to express my gratitude to the esteemed shareholders for their trust and confidence in the management of the Company. I would also like to place on record my sincere appreciation for the continued cooperation, guidance, support, and assistance extended by customers, shareholders, suppliers, as well as vendors, bankers, business associates, regulatory and government authorities, and various other stakeholders. My sincere thanks to our Board members who have been guiding the Company tirelessly. Their level of commitment towards the Company is remarkable.

My deepest thanks to the entire team of Metro at all levels for their hard work, dedication and commitment. The enthusiasm and unwavering efforts of the team Metro has enabled the Company to remain an industry leader. Together, I am sure we will continue to achieve one milestone after another in the years to come. I wish you all a safe and healthy future.



As all the items of business as per the AGM notice have been taken up, the proceedings of the AGM have been concluded. It is now 3.33 pm and I declare the meeting closed. Members present for this AGM and who have not voted previously through remote e-voting can cast their votes. The e-voting will close after 30 minutes.

Thank you.