

Date- November 08, 2023

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai-400 001

SCRIP Code: 540205

Sub: Transcript of Analysts/Investors Call pertaining to the Unaudited Financial Results for the quarter and half year ended September 30, 2023

Dear Sir

Further to our letter dated October 31, 2023, please find attached herewith a copy of the transcript of the Analysts/Investors Call on the Standalone Unaudited Financial Results of Aditya Vision Limited for the quarter and half year ended September 30, 2023 held on Friday, November 03, 2023.

The same is also being made available on the Company's website at: www.adityavision.in.

This is for your information and record.

Thanking you

Yours faithfully

For Aditya Vision Limited

**AKANKS
HA ARYA**

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**Akanksha Arya
Company Secretary**



“Aditya Vision Limited
Q2 FY2024 Earnings Conference Call”

November 03, 2023



ANALYST:

**MR. DEVANSHU BANSAL – EMKAY GLOBAL
FINANCIAL SERVICES**

MANAGEMENT:

**MR. YASHOVARDHAN SINHA – CHAIRMAN &
MANAGING DIRECTOR – ADITYA VISION LIMITED
MRS. YOSHAM VARDHAN - WHOLE TIME
DIRECTOR – ADITYA VISION LIMITED**

Moderator: Ladies and gentlemen welcome to Aditya Vision Q2 FY2024 Earnings Conference Call hosted by Emkay Global Financial Services. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. We must remind you that the discussion on the today’s call may include certain forward-looking statements and must be therefore viewed in conjunction with the risk that the company faces. I would now like to hand the conference over to Mr. Devanshu Bansal from Emkay Global Financial Services. Thank you and over to you Sir!

Devanshu Bansal: Hi good evening everyone. We would like to welcome the management team of Aditya Vision Limited and also thank them for giving us this opportunity to host their Q2 FY2024 earnings call. We have with us today Mr. Yashovardhan Sinha, Chairman & Managing Director and Mrs. Yosham Vardhan, Whole Time Director. I now request Mr. Sinha to take us through the company’s business outlook and financial highlights subsequent to which we will open the floor for Q&A. Thank you and over to you Sir!

Yashovardhan Sinha: Thank you Devanshu. Very good evening ladies and gentlemen. We are pleased to welcome you all to our earning concall for Q2 and H1 FY2024 where we will discuss the financial performance and strategic decisions made by the company. We have already uploaded our investor presentation on the exchange and we hope you have had the opportunity to review it.

We are very happy to announce that we have delivered overall a strong performance in H1 FY2024 despite seasonally weak Q2 with consistent performance across all financial parameters. As stated earlier, the seasonality factor significantly influences our business operations with Q2 being our weakest quarter owing to monsoon and shradh period. In addition, the entire festive season this year fell in; it is in fact due in Q3 whereas festive season started in Q2 in FY2023. What I mean to say that the festive season started in the month of September last year which falls in Q2 and this year all festivities are from October onwards. Despite the above, we have delivered good growth in revenues, which reinforces us as a preferred choice of our customers. Our relationship with our customers supported by our competitive pricing, outstanding customer service, prompt delivery and installation and successful marketing events such as the Independence Day sale and attractive offers in world cup season has given us the desired results. This quarter we also conducted first of its kind electronic loan mela there is 125 plus locations across panchayats and block level in Bihar, Jharkhand and Uttar Pradesh which has made our brand very popular with first time rural customers that we got very good response as well. Our sales in July was flat after

experiencing exceptional sales growth in June this year. August and September sales were very robust this year in this Q2 FY2024 with more than 30% growth. So I want to tell you that in fact June was exceptionally very high in Q1 because the entire season was rain marred, despite that so in July the effect was that it remained flat because of very high sales in June and in fact in August and September our sales grew by more than 30%, so resulting in a year-on-year revenue growth of 21% in Q2 FY2024.

Our revenue increased from Rs.698 Crores in H1 FY2023 to Rs.954 Crores in H1 FY2024, a growth of 37%. In line with our revenue, our profit before tax increased by 29% Y-o-Y to Rs.62 Crores compared to 48 Crores and our profit after tax increased by 24% Y-o-Y to Rs.47 Crores compared to 38 Crores in H1 FY2023.

In H1 FY2024, Bihar contributed the most of our revenues with 88% revenue coming from Bihar, followed by Jharkhand and UP which contributed 10% and in fact UP we have just started so it contributed 2%. This growth in the topline is a result of strong store additions as well as continued growth from our matured stores.

As mentioned in our previous earnings call, we had set our sights on expanding our reach in Q2 FY2024. We are pleased to report that we have made a steady progress, having opened 13 new stores in Q2 FY2024 with six stores in Bihar, two stores in Jharkhand and five in Uttar Pradesh bringing our total store count to 130. This means that we have added 25 stores in H1 FY2024 as against the full year addition of 26 stores in FY2023. So here we added 26 stores and we have already added 25 stores in half year of this financial year. We have achieved a significant milestone in our store hyper scaling strategy. Building on this momentum we now plan to open additional 10 to 15 new stores in this financial year to reach overall 140 to 145 stores thus surpassing our initial guidance of 125 stores in FY2024, which we crossed in H1 FY2024 itself. Furthermore, we have revised our initial store opening guidance from 150 stores by FY2025 end to 160-165 stores by FY2025. We are convinced of the immense consumer opportunity in our core markets and we believe accelerating store expansion is the correct strategic response. Typically, our stores breakeven within the first six to eight months and we are seeing encouraging consumer response in the newer markets, in fact there is very good demand coming up initially of course opex is high, but these stores are simultaneously maturing also, so there we really expect very good business coming from these stores in near future.

As previously mentioned in our earnings call, our inventory usually remains on the higher side at the end of Q2 and Q4 due to our strategic approach of acquiring inventory aggressively for the festive season and summer season respectively and we do not want to be in a stock out situation. Reflecting this, our inventory as of September 30, 2023 amounted to Rs.283 Crores based on our optimal procurement strategy. I would like to

highlight here that growth in store operating expenses is higher for the quarter due to the strong pace of store additions over the last 12 months. In fact 30% of our showrooms are less than six months old. As these new stores ramp up and start contributing to revenue, you will see benefits flowing into our profitability as well as topline and bottomline. It is also important to note that SSSG for H1 FY2024 is still very healthy at 19%.

On August 16, 2023 CRISIL rating upgraded its rating on the long-term facilities of company to CRISIL A- stable from CRISIL BBB+ stable. This rating reflects our established market position, our extensive experience in the electronic retail industry and sound operating and financial efficiency.

As mentioned previously, we have already achieved market dominance in Bihar and Jharkhand. Now our efforts have started gaining momentum in eastern Uttar Pradesh where we currently have 13 operational stores and we are steadily progressing in terms of market penetration.

Lastly, I would like to say that we are committed to broadening our customer base, retailing innovative products by innovative methods and ensuring exceptional customer experiences while maintaining steady financial growth. This commitment propels us to pursue excellence in every facet of our business as we progress in our expansion journey with you all. With this favorable momentum, we maintain a strong belief in our future and our capacity to establish new industry standard.

I think that is all. I will now hand over the floor to Mrs. Yosham Vardhan to provide an overview of the financial highlights for the quarter. Yosham Vardhan please!

Yosham Vardhan:

Thank you. Good afternoon ladies and gentlemen. We are happy to showcase the strong financial performance of Q2 FY2024 and H1 FY2024. Here is a snapshot of our financial outcomes.

During H1 FY2024

- Our revenue increased to 37% from 698.11 Crores in H1 FY2023 to 954.36 Crores in H1 FY2024.
- Gross margins were maintained at 15% and EBITDA stood at 86 Crores.
- PAT grew by 24% from 37.84 Crores in H1 FY2023 to 47.05 Crores in H1FY2024.
- SSSG in H1 FY2024 stood at 19%.

In Q2 FY2024

- Our revenues recorded a Y-o-Y increase of 21% reaching Rs.313.13 Crores driven by the expansion of our operations and strong SSSG.
- Our gross margins were effectively maintained at 15% driven by optimal product mix.
- The profit before tax for the quarter stood at 12.32 Crores and profit after tax for the quarter stood at 9.63 Crores.
- EBITDA for the quarter stood at 23.1 Crores. As mentioned earlier, we have seen strong momentum in store additions which led to higher operating expenses in a seasonally weak quarter. This has impacted EBITDA growth for this quarter but we are confident of seeing benefits from the wider store footprint as we head into the festive season.
- In H1 FY2024 our employee expense has a provision for ESOP amounting to 4 Crores, which was split into 2 Crores each in Q1 and Q2 FY2024 respectively. In this financial year, a total ESOP provision of 8 Crores have to be made out of which 4 Crores have been made in H1 FY2024 and the remaining 4 Crores will be made in H2 FY2024. However, in the next year, provision of approximately only 2.5 Crores will have to be made in the next full financial year FY2025 on account of ESOP. As you are aware this is a notional expense charged to P&L but does not have any impact on the cash flows. We strongly believe that ESOP was granted to our long-term employees will give our team a great motivational advantage in short to long term benefiting the company manifold.
- As previously mentioned, our store count reached 130 in Q2 FY2024 with the addition of 13 new showrooms this quarter including six in Bihar, two in Jharkhand, and five in Uttar Pradesh.

We can now open the floor for questions.

Moderator: Thank you. We will now begin the question and answer session. The first question is from the line of Bapodara Mayur. Please go ahead.

Bapodara Mayur: Hello Sir. Congratulations on good set of numbers. Actually I wanted to understand about our expansion plans in regard of how we decide on expansion pace, speed of expansion, which parameters we look for?

Yashovardhan Sinha: Okay. That is all?

Bapodara Mayur: Yes, that is my first question.

Yashovardhan Sinha: We have already discussed several time, actually we look out for the population and we look out for the overall figure nationally provided for penetration of white goods and mobiles and other things and then we take a decision. In fact whatever states we are in fact operating in, it has got one of the lowest penetrations of white goods and population wise it is almost 30% of the entire Indian population UP, Bihar and Jharkhand will contribute. So

that way in fact we look for the population, how well they have been served there by similar sector and then data, retail data also comes in.

Bapodara Mayur: That is fine. Actually I am asking about our speed of expansion like how we defended the expansion speed of our company is okay, we are not over speeding ourselves in expansion so which parameters like balance sheet and strength of balance sheet and in that sense what parameters we look for like we are not over speeding ourselves for expansion or we are not under speeding?

Yashovardhan Sinha: In fact we are having that bandwidth for expansion if that is very clear by numbers what we have done and as they mature going forward and let us say six to nine months all these places are very under penetrated and we are sure very good business is going to come. I have already discussed how many stores we want to open and it all depends on what type of response we are getting there. So right now we are getting good response so we are going ahead, if we start getting lesser response then we will rethink our strategy.

Bapodara Mayur: Right and we are already have major market share in Bihar. So in Uttar Pradesh how we are getting response like what is the competitive intensity in Uttar Pradesh any big players are expanding parallel to us or we are the only big player expanding in the UP?

Yashovardhan Sinha: Right now we are the only big player expanding there. Modern trade is there, but they are not expanding in that way and we want to have the business advantage also, so we are the only retail player there which are expanding in such a way so this is what management thinks that this will be our biggest asset also going forward.

Bapodara Mayur: Yes, so we will have the first mover advantage in UP also right?

Yashovardhan Sinha: Yes, of course, absolutely right.

Bapodara Mayur: Right now we are expanding in three states like Bihar, Jharkhand, and UP so after this what other states we are planning to expand like MP or Rajasthan?

Yashovardhan Sinha: No, not in Rajasthan. We believe in creeping cluster approach so we will be going up to Lucknow in the eastern UP, after that we have been assessing our market position in Chhattisgarh also. Similarly, again we are assessing Madhya Pradesh also where we intend to start from the eastern part of Madhya Pradesh so these are the places right now which has been considered.

Bapodara Mayur: Sir geographical area wise UP is like Bihar and Jharkhand put together, so how much store we can plan in UP, how many stores?

- Yashovardhan Sinha:** There is immense opportunity in UP because it is very, very densely populated. The overall population is around 24 Crores, assuming that half the population lives in eastern UP it is as big as Bihar. So that we can find that the opportunities are as good as what were in Bihar. One thing we can only say that we will be in the Hindi Heartland. That is our policy and we are going to remain there.
- Bapodara Mayur:** That is it from my side and congratulations for the future growth and future endeavors.
- Moderator:** Thank you. The next question is from the line of Rakesh Sethia from HDFC Mutual Fund. Please go ahead.
- Rakesh Sethia:** Hi thank you for the opportunity. A couple of questions firstly how many stores did you mention which are less than six months old did you say 30% of this store, did I hear that number correctly during the call?
- Yashovardhan Sinha:** Yes 30% of our stores, right.
- Rakesh Sethia:** Are less than six months old?
- Yashovardhan Sinha:** In six months.
- Rakesh Sethia:** Okay. And Secondly, is it possible to quantify what would have been the impact of additional expenses that probably would have gone in the stores which are still not mature, I am just trying to look at the margin, so there is roughly about 150 basis point margin contraction from same quarter last year. How much of that would have been impacted by the additional cost of stores which are probably not yet mature?
- Yashovardhan Sinha:** Still I am not able to understand your question. You want to know what impact you expect in fact of the newly opened stores right?
- Rakesh Sethia:** If I look at your operating expenses, so last year your margin was about 8.9% in the second quarter. This year margin is 7.4 and when I look at the gross margins they are broadly similar, so the entire margin contraction seems to have been led by the other expenses which probably would have been that you would have incurred those expenses in opening stores and etc. So what I am trying to understand is how much of this margin contraction is because of the additional charges that could have gone in the store opening versus otherwise we would not have incurred.

Yashovardhan Sinha: Let us say it can be 100 basis points that will be going forward that can come as a cost for opening new stores to the company. But I am very sure that after these numbers of the stores even slightly matures then again it is going to contribute to the EBITDA.

Rakesh Sethia: Understood. Sir last question on growth if I look at this quarter's growth of let us say 21% on year-on-year basis and when we look at the growth number last year same time was about 43% so I am just trying to understand you seem to have opened more number of stores yet your growth this quarter seems to be slightly lower as compared to last quarter is it especially because of the festive season move?

Yashovardhan Sinha: There were number of reasons. Few of them I already discussed when I was speaking. There are other reasons also that this time we have opened more stores in the lesser time and that time in fact our store expansion was not that rapid. So this is the reason. Nothing else.

Rakesh Sethia: Understood. So, does it mean that going forward when we look at your numbers is it possible to sort of think about how these sales is probably there in the month of October and November, you would have already known some of the data. Can you sort of help us understand that your per store revenue?

Yashovardhan Sinha: I can tell you right now that we have entered in a very good quarter at the moment, very bullish quarter I would say. In fact everybody was waiting for this festive season to come because it has been delayed this year. So I think we will be doing more than what we have been projecting, so this is what I can suggest as of now.

Rakesh Sethia: Understood Sir. Thank you very much and all the best Sir.

Moderator: Thank you. The next question is from the line of Pritesh Chheda from Lucky Investment Managers. Please go ahead.

Pritesh Chheda: Hello Sir. Just the first question is on the GM difference for this quarter especially on a Y o-Y basis, so there is 100 bps difference, there is a lower 100 bps if you could explain that and what would be the salience or the share of AC business in these quarters, what are Q2 quarter this year and Q2 last year?

Yashovardhan Sinha: Which business you said?

Pritesh Chheda: Air conditioners.

Yashovardhan Sinha: AC has in fact it has grown by around 32%. I am talking about H1.

- Pritesh Chheda:** I am only asking for Q2.
- Yashovardhan Sinha:** Q2 in fact we are not having, in fact Q2 does not matter, we do not sell much ACs in Q2 because it is already rainy season.
- Pritesh Chheda:** What explains the 100 bps lower GM in the quarter gross margin?
- Yashovardhan Sinha:** I have been discussing this right now also that we can have 100 bps dip in GM of course because of our newer stores and at rapid pace we are opening new stores which are yet to mature or establish themselves, but I think that going forward all these stores, whatever we have done in fact 25 stores we have added in H1 which is going to contribute to our topline as well as bottomline very quickly maybe by next two quarters. I told you maybe by next two quarters and we can get a hit of 100 bps in GM.
- Pritesh Chheda:** But Sir when your SSG is 19% in a 20% growth, which means the contribution for new store is less and in one of the answer you mentioned that new stores were opened towards the end of the quarter only?
- Yashovardhan Sinha:** Sorry you are mistaken it is for H1.
- Pritesh Chheda:** Then what is the SSG for Q2?
- Yashovardhan Sinha:** We do not have quarterly number on that.
- Pritesh Chheda:** No problem. Then the other question I have is the other expense line, you mentioned 2 Crores as ESOP expense, are there any other higher expenses or any expenses which you want to highlight which may not be a part of store expansion and gone up in the quarter?
- Yashovardhan Sinha:** Not at all. We do take care to tell you in the earnings call if there is any exception.
- Pritesh Chheda:** No problem and last question Sir. I understand the season shift that is there this year, the festivity shift and October would be the month where obviously Navaratri would have come in. So October month what is the growth on a Y-o-Y basis?
- Yashovardhan Sinha:** We can give you only overall for a quarter. Try to understand one thing I will tell our investors to understand this because again last year we have best season is Dhanteras Diwali for us not Durga Puja. Of course your sale starts going up after the month of shradh, so first day of Durga Puja, Navaratri, we start getting good business but our business in fact it explodes by Dhanteras and Diwali. So last year it was in October but this year it will be in November, so judging by month-to-month that will be not really good because very seasonal matter is there. So this is the reason we are highlighting our performance for H1

also because if you have very good Q1 then you have to have slightly weaker Q2. So it will be very good judgment of companies' financials if you compare by half year. So this is the way we are presenting in our investor presentation also where we will see. I hope it is clear to you because that will give you a better picture of what the company is actually delivering.

Pritesh Chheda: But generally the consumer sentiment or what you would see on ground in terms of demand outlook that all is fairly strong whatever initial assessment that you could make?

Yashovardhan Sinha: Yes very, very strong.

Pritesh Chheda: Thank you very much and all the best.

Moderator: Thank you. The next question is from the line of Renjith Sivaram from Mahindra Mutual Fund. Please go ahead.

Renjith Sivaram: Hi Sir good afternoon. I just wanted to understand you had mentioned that there is a 2 Crores ESOP-related expenditure in other expenditure so apart from that is there any other reason why this other expenditure was high this quarter, it is around 10 Crores compared to 5 Crores last year so we understood 2 Crores increase is to ESOP is there anything else apart from this?

Yashovardhan Sinha: No, nothing else but ESOP you are not getting it right. ESOP is in employee benefit expenses and you are talking about.

Renjith Sivaram: So why this other expenditure is there any other cost related to the new stores?

Yashovardhan Sinha: Opex incurred for opening newer stores. This is what I have already highlighted. So expense will go up of course but number of stores has also gone up.

Renjith Sivaram: We have to believe that probably once these new stores which have been added, once they start delivering in terms of the profitability, and then this EBITDA margin should normalize to around 9 to 10%?

Yashovardhan Sinha: We have been always guiding we will be 9 to 10% and I think in H1 we have achieved 9%.

Renjith Sivaram: Sir if you look at the overall SSG you have given it for the first half. But when we look at the store additions and your growth it seems that, at least we can derive that, there is likely to be a decline in the same stores growth this quarter or there is no risk in terms of say decline in same store growth sales this quarter?

Yashovardhan Sinha: In our opinion there is no risk of declining store because in fact we have been expanding rapidly or aggressively expanding since pandemic days. So there is a number of clustered stores in between and I think that going forward we are going to have this very good same store sales growth because these all stores are now blossoming I will simply put it like this. So let us say stores which have been opened in FY2020, 2021, 2022, these are all now maturing and blossoming and these are contributing to our same store sales growth which are least one year old.

Renjith Sivaram: Sir one more last thing like the cost per store is it in an increasing trajectory or reducing trajectory compared to last year is cost per store increasing?

Yashovardhan Sinha: You can align it with the inflation figures and all that like rent increases 5%, the salary normally we give at least 10% and with growth in sales our employee expenses, benefit expenses also grows because of certain target-linked incentives we give to our employees. So of course it is going to rise, but we have been in line with our inflation rate.

Renjith Sivaram: Thank you and all the best.

Moderator: Thank you. The next question is from the line of Akshat Mehta from Sameeksha Capital. Please go ahead.

Akshat Mehta: Thank you Sir for the opportunity. My first question is that if I look at your inventory though we are saying that the inventory is higher at the end of Q2 but on new inventory days if we look at it you are showing 65 days at the end of Q2 that has come down from 70 days in last year H1 and around 80 days at the end of Q4. So I just wanted to understand why inventory in terms of number of days is going down, are we expanding into new stores where the inventory required is lower or what is the reason?

Yashovardhan Sinha: Small stores are also there of course. So smaller stores also around 18 we have opened which is overall opened from last H1 to this H1. So number I think it is good enough, but we are improving on that I suppose.

Akshat Mehta: If you could share what kind of total stores would be smaller out of 130?

Yashovardhan Sinha: It has come down from 70 to 65 days.

Akshat Mehta: No, I am asking out of 130 stores that you have how many would be smaller one, 18 stores as you called it?

Yashovardhan Sinha: 18.

Akshat Mehta: Going forward is there any plan for opening more smaller stores or majority of them would be larger ones?

Yashovardhan Sinha: Majority will be larger one of course, like what I said in my earning call was that we are always looking for newer opportunities. As I told you may be listening at that time in fact we have done more than 150 loan melas in rural places like panchayat level, block level and all that, what we intend to know and understand that what is the potential, how much and we very much surprised that even in the block level, even in panchayat level. the people were buying for as much as even Rs.1 lakh, so these in fact incidents were pleasantly surprised us and maybe we will be looking for opportunities to do it. We cannot exactly tell you what we are going to do, what is our future strategy but our strategy will be always to capture whatever market is there so that builds up the brand also across Bihar or Jharkhand or UP.

Akshat Mehta: Sir my next question was that if you look at your employee cost from Q1 to Q2 on absolute basis it has come down to around 15.4 Crores to 13.5. So I understand those includes 2 Crores of ESOP so why is that, have your number of employees come down or what is the reason?

Yashovardhan Sinha: Again I have told you that it goes up with the sale, so if you find that in Q1 our sale was more than double what we have done in Q2.

Akshat Mehta: So that includes incentives as well, commission or incentives for sales?

Yashovardhan Sinha: If you really do very well then of course these are very dynamic type of incentive strategy what we in fact implement. Obviously I cannot share but that is the way we do so if we have very good sales then our employee cost will go up.

Akshat Mehta: If you could also share some highlights on how festive demand is going till now, it is now start of November if you can throw some light on that?

Yashovardhan Sinha: Till now it has been very good and very robust.

Akshat Mehta: Okay. Thank you Sir.

Moderator: Thank you. The next question is from the line of Vivek Gautam from GS Investments. Please go ahead.

Vivek Gautam: Yes, Sir one question has the promoter selling and the related entities stopped because earlier you said that we wanted some marquee investors and some marquee investors like

HDFC mutual fund has entered into our company so no more promoter and related entity selling Sir?

Yashovardhan Sinha: It cannot be limited only to HDFC Mutual Fund. Of course if it will be a really good investor then only we are going to dilute, otherwise not.

Vivek Gautam: Because earlier this question was raised, so you had said that it was for strategic nature only and it is on verge of stoppage?

Yashovardhan Sinha: You are only saying that yes to HDFC mutual fund. Similarly if some marquee investors comes in then we will consider, in fact adds good value to our investors as well.

Vivek Gautam: Because if these marquee investors buy from the market then the minority shareholders also benefit?

Yashovardhan Sinha: If they buy otherwise also everybody start buying so that I do not know how it is going to impact the share price, but one thing I know that marquee investors are necessary and if they go into the market then they are not going to get that type of shares and big investors they cannot have a very small stake. You do not have to worry for that because as I told you any dilution will be very, very strategic, very calculated and only if very good investors are willing to come and that is all.

Vivek Gautam: That is why I agree that in the sense that HDFC Mutual Fund entering in our company is really a very positive sign and increases the confidence in small companies like listed at BSE coming out from the SME background from Bihar, so it does increase the confidence I agree Sir. And second thing is basically any plans for going in for big four auditor because of local auditor is also still Patna based and any plans of going in for that Sir?

Yashovardhan Sinha: We have told that we have already exploring this and maybe in a year or so we will be on boarding not big four but maybe big six.

Vivek Gautam: That is a very helpful measure Sir and how is with the performance in UP side Sir, especially Banaras where the store was opened sometime back and how has been that performance Sir?

Yashovardhan Sinha: Banaras is doing very well and joining I think even Prayagraj we have recently ventured into Prayagraj Allahabad that is also doing exceptionally well. So, it is only a matter of time they will very much explode.

Vivek Gautam: Prayagraj store was opened very, very recently. Bananas I believe was slightly older.

- Yashovardhan Sinha:** They have done very well. We have got contribution of 47% sales growth in Q1 you can understand that those stores have done very well right from the beginning, right from the starting.
- Vivek Gautam:** Sir we have opened in some real small, I believe that Harinagar Sugar Mills situated in Ramnagar there also we have opened a store and in a place called Dhaka very small places, so do they have the real potential of meeting the expectations of the growth of Aditya Vision or very small place will take time Sir?
- Yashovardhan Sinha:** We expected a sale of only 50 lakh but what we are now projecting is that they are going to do more than 7 to 8 Crores of sales in their first full year. So I will say that they have been very successful and these smaller places again the population is very high and since affordability or retail financing is so easy and quick that these places are giving good business.
- Vivek Gautam:** Nonresident Bihar people working in Middle East, Saudi Arabia and other places their family staying back in small places in Bihar is helping us out you mean to say Sir?
- Yashovardhan Sinha:** Immigrants. Plenty of inflow of money is there in these places, plenty of money.
- Vivek Gautam:** Minority region I believe in Dhaka and lot of people are working. Thank you Sir.
- Moderator:** Thank you. The next question is from the line of Tanay Desai from 11H Advisors. Please go ahead.
- Tanay Desai:** Good evening to the management. Thank you Mr. Sinha I represent the family office of Mr. Janak Desai. It was a pleasure to be a shareholder of Aditya Vision. Just one question and one suggestion towards the end. The question is one of our competitors in the southern part of India I think they grew their profits and EPS by around 20% this quarter and they are also aggressively expanding maybe not at the rate of our company, but still pretty fast, so just wanted to understand the geographical difference between the demand scenario in our northeast belt versus the southern belt and do we have any plans of considering areas outside the northeast belt say probably around FY2025? Also very happy with the fact that cash flow from operations has gone up significantly in the half year as well as the quarter. Thank you.
- Yashovardhan Sinha:** Yes actually what you said that you were yourself telling me there, let us say their growth rate will be definitely muted if I go to southern part because these are overall saturated market, even penetrated market as well. In the Hindi heartland let me tell you very big opportunity, very big story this will be the future for growth, this will be the growth driver

for the company, so we will definitely stick to Hindi heartland. We have always been in fact explaining it to our investors that we are going to stick to Hindi heartland where we find that in fact we get more support from manufacturers because we are going to a newer destination whereas if you go to a very crowded place they know that already 10 showrooms are there, big showrooms are there so they do not have any interest in anyone separately, but when you enter into new territory, new places which is underpenetrated everybody knows that this will be a new market, so this new market is the story for what Aditya Vision stands for. So we will be sticking here only. If you will compare us with competitors then you will find that there will be difference in topline growth.

Tanay Desai: Sure Sir. The second question is if you could help us with the blended cost of debt, what would be the cost of debt for the company at this point?

Yashovardhan Sinha: It will be around 8.25%.

Tanay Desai: This is going to remain steady for the next few quarters, right?

Yashovardhan Sinha: It is going to come down from there in my opinion rather than going up because we do not expect the interest rate to go up from this point.

Tanay Desai: Sure Sir. That is great to hear. And small suggestion is regarding to the previous point made by few people on the call. I think with regard to the promoter selling part we completely agree that a strategic investor definitely helps minority investors as well but in case possible once the NSE listing happens and volumes open up at that point maybe you can reassess the selling situation because from the open market marquee investors might be able to at that point buy as well. So just wanted to give small suggestion on the selling party.

Yashovardhan Sinha: I call tell you this is very nice suggestion. We always prefer that people should go that way, but when there is a big marquee investor then they want to have a bigger share, a lot. Simply either they will get in your company through our selling or they will not come at all. So decision has to be taken at that time. We very much appreciate your suggestion and yes of course next year we are planning to list ourselves on NSE, so we see better days ahead.

Tanay Desai: Right Sir. Thank you so much for accepting the suggestions and wish you a bumper Q3 and next few quarters ahead.

Moderator: Thank you. The next question is from the line of Vishal Ramchand Panjwani from Emkay Global. Please go ahead.



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- Vishal Ramchand:** Hi Sir thanks for the opportunity and congratulations for good set of numbers. What would be the average ticket sizes for AC, refrigerator, and washing machine segment?
- Yashovardhan Sinha:** AC H1 2024 it is around 41000. What else you want to know?
- Vishal Ramchand:** Refrigerator and washing machine as well.
- Yashovardhan Sinha:** Refrigerator will be around 21000; washing machine will be around 20000.
- Vishal Ramchand:** What about television?
- Yashovardhan Sinha:** Television it has in fact come down from last half year because there was a good price correction in panels, So it is around 34 - 35000.
- Vishal Ramchand:** How are you seeing competition from our offline retailers like Croma and Reliance Digital in your area?
- Yashovardhan Sinha:** They have always been operating here. They have been operating since 2014 here whatever we have achieved, we have achieved along with the competition, so I do not think so that it is going to do anything, dent our growth chart. That is very clear that we have grown 37% since last H1 to this H1.
- Vishal Ramchand:** That is it from my side. Thanks for this opportunity.
- Moderator:** Thank you. The next question is from the line of Faisal Hawa from Hawa & Company. Please go ahead.
- Faisal Hawa:** Will you get into private label selling under the own brand?
- Yashovardhan Sinha:** My answer will be a simple no. We have no plans to sell our private label.
- Moderator:** Thank you. As there are no further questions from the participant I now hand the conference over to the management for closing comments.
- Yashovardhan Sinha:** We trust that we have addressed all your inquiries to your satisfaction. If you have any remaining unanswered questions or I was not able to explain it well to you, please do not hesitate to contact our investor relations agency, Go India Advisors. They will be more than happy to assist you from there. Thank you so very much for sparing your time for this earning call. I thank everyone including the organizer. Thank you very much and very good day ahead.



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Moderator: On behalf of Emkay Global Financial Services that concludes this conference. Thank you for joining us. You may now disconnect your lines.