Date- November 20, 2024

BSE Limited
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Dalal Street Mumbai-400 001

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra Kurla Complex, Bandra(E),
Mumbai-400051

SCRIP Code: 540205

Symbol-AVL

Sub: Transcript of Analysts/Investors Call pertaining to the Unaudited Financial Results for the quarter and half year ended September 30, 2024

Dear Sir

Please find attached herewith a copy of the transcript of the Analysts/Investors Call on the Unaudited Financial Results of the Company "**Aditya Vision Limited**" for the quarter and half year ended September 30, 2024 held on Tuesday, November 12, 2024. The same is also being made available on the Company's website at: www.adityavision.in.

This is for your information and record.

Yours faithfully

For Aditya Vision Limited

AKANKSHA ARYA
Digitally signed by AKANKSHA ARYA
Date: 2024.11.20 23:38:14 +05'30'

Akanksha Arya
Company Secretary

"Aditya Vision Limited
2Q FY25 Earnings Conference Call"

November 12, 2024

MANAGEMENT: **MR. YASHOVARDHAN SINHA –CHAIRMAN AND MANAGING DIRECTOR – ADITYA VISION LIMITED**
MS. YOSHAM VARDHAN – WHOLE TIME DIRECTOR – ADITYA VISION LIMITED

MODERATOR: **MR. PERCY PANTHAKI – IIFL SECURITIES LTD**

Moderator: Ladies and gentlemen, good day and welcome to Aditya Vision Ltd. 2QFY25 earnings conference call hosted by IIFL Securities Ltd. As a reminder, all participants' 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 star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Percy Panthaki from IIFL Securities Ltd. Thank you and over to you, sir.

Percy Panthaki: Hi everyone, good evening and welcome to the quarterly call for Aditya Vision Ltd. I have on call with me Mr. Yashovardhan Sinha, Chairman and Managing Director and Ms. Yosham Vardhan, Whole Time Director. I'll hand over the call to the management for their initial comments and then we'll open up for Q&A. Over to you, sir.

Yashovardhan Sinha: Hi Percy, thank you. Good evening, everyone. We are delighted to welcome you to our earnings call for Q2 and H1 FY25, where we will review the company's financial performance and strategic decisions. Our investor presentation has been uploaded to the screen and we hope you've had a chance to review it. We are pleased to report a strong performance in typically seasonally weak quarters, showing consistency across all financial metrics. As mentioned previously, seasonality plays a significant role in our operations, with Q2 being our weakest quarter due to the monsoon and Shradh period.

Despite these challenges, we achieved good revenue and profit growth. Sales in Q2 remained modest due to heavy rainfall and flooding in most parts of northern Bihar and UP, followed by a Shradh period, leading to a blended year-on-year revenue growth of 20.03% in Q2 FY25. We opened 6 new stores during this quarter, 1 in Bihar, 2 in Jharkhand and 3 in Uttar Pradesh, bringing our total store count to 156.

We added 11 stores in H1 FY25 and in line with our guidance, we are in the process of opening another 15 to 18 stores in H2 FY25. As of date, 18 stores are in the work-in-process, which hopefully should be functional by January-February 25. As of September 30, 2024, our inventory stood at INR439 crores. Our inventory is on the higher side due to pre-stocking for the festive season, which were most part of the festivities, including Durga Puja, Dussehra, Dhanteras and Diwali, fell in a single month of October and hence urgent quarter-end stocking was required.

The finance cost during the quarter includes interest cost of INR4.68 crores as leased liability interest owing to application of IND AS 116. As announced in our last earnings call. We are happy to inform you that we have completed stock split in 10:1 ratio. Consequently, with paid-up value of shares of INR10 each has been split into 10 shares of

INR1 each and also, our shares have now been listed on NSE for Trading as well as giving investors more liquidity and trading options. In line with our strategy, we have established our presence in most part of Eastern UP and are now poised to expand into Central UP in H2 FY25.

Our focus remains on expanding our retail footprints through fortification of existing locations and exploring new markets. We will continue to identify and enter new markets in Hindi Heartland that offers huge growth potential. We are on track to add 25-30 stores in current financial year and target to reach around 200 stores by FY26.

I will now hand over the floor to Ms. Yosham Vardhan to provide an overview of the financial highlights for the quarter and half year ended. Over to you, Yosham.

Yosham Vardhan: Thank you, sir. Good evening, ladies and gentlemen. We are delighted to showcase the strong financial performance of Q2 FY25 and H1 FY25. Here's a snapshot of our financial outcomes. During H1 FY25, our revenue increased by 32.51% from INR954.40 crores in H1 FY24 to INR1,264.60 crores in H1 FY25 driven by expansion and strong SSG. Gross Margin stood at 15.28% and EBITDA stood at INR9.11 amounting to INR115.2 crores. PAT grew by 38.77% from INR47.05 crores in H1 FY24 to INR65.29 crores in H1 FY25. SSSG in H1 FY25 stood at 17%.

In H1 FY25, Bihar contributed the most to our revenues with 82% followed by Jharkhand and UP contributing 11% and 7% respectively. In Q2 FY25, our revenue recorded a YoY increase of 20.03% reaching INR375.85 crores in Q2 FY25 from INR313.13 crores in Q2 FY24. Our Gross Margin stood at 15.42% driven by optimal product mix. EBITDA for this quarter stood at INR30.06 crores against INR23.06 crores in Q2 FY24 and EBITDA margins for this quarter stood at 8% as compared to 7.36% in Q2 FY24. The Profit Before Tax for this quarter stood at INR15.98 crores up 29.71% from INR12.32 crores in Q2 FY24 and the Profit After Tax for the quarter stood at INR12.21 crores up by 26.79% from INR9.63 crores in Q2 FY24. We can now open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Devanshu Bansal from Emkay Global Financial Services. Please go ahead.

Devanshu Bansal: Hi sir, good evening. Thanks for taking my question and congratulations on a good H1 performance. Sir, you mentioned that Q2 is a seasonally weaker quarter and there was a good amount of festivals in Q3 till date. So, any outlook that you can provide as in how have been the trends in Q3 till date? Maybe like to like festive comparison for 30 days between Navratri and Diwali?

Yashovardhan Sinha: It has been good. We have done good in this period.

Devanshu Bansal: And qualitatively, growth is in like better than Q2? Has it improved? If you don't want to sort of provide some quantitative, qualitatively if you could sort of suggest?

Yashovardhan Sinha: That won't be proper but we have done well.

Devanshu Bansal: Understood sir. And this time around specifically for Q3, wedding dates etc. are relatively higher versus last year. So, are you optimistic of a continuation of this strong trend in the rest of Q3 as well?

Yashovardhan Sinha: Definitely, because most of the weddings are lined up in this quarter itself. So, we are definitely very much hopeful that this quarter is going to be very strong.

Devanshu Bansal: Understood sir. Second question is specific to some of the industry trends. There are players like higher Voltas sort of doing much better versus the Korean heavyweights. So, what does this actually mean for players like us in terms of average selling price, margin negotiation etc.? So, if you could just throw some comments on this please.

Yashovardhan Sinha: When you have got very good and high competition, you can derive better margins. That's for sure. And it's good that many companies have established themselves in this market.

Devanshu Bansal: Understood. And is this the reason for flat ASP also? Because I guess the Korean heavyweights may be at higher ASP and since the other competition is gaining ground. So, is this sort of leading to a flattish kind of ASP for us in H1? Is this the right way to look at it?

Yashovardhan Sinha: I won't put it like this. But the decline in ASP is because of, in fact, drop in prices. And prices have dropped this time. Like ASP has gone down due to decrease in most of the categories, especially AC, refrigerator, washers. It has gone down by 2%. Mobiles and laptops, it has gone down by 3%. And even, as you must be aware, even brands like Apple, they have come with new launch, Apple 16, which is 10,000 cheaper than launch of Apple 15 Pro Max. So, we are not having any effect of inflation on our revenue growth in H1 FY24.

Devanshu Bansal: Understood. Sir, one last question from my end. This is not specific to the consumer durables industry. But from automobiles perspective, at least the area of operations that we operate in, there is a general commentary that the NBFC financing is sort of reducing in those areas. Because the loan to values etc. were relatively higher and there are some levels of defaults that have happened. So, are you seeing some challenge in the consumer durables space as well, in terms of financing?

Yashovardhan Sinha: In fact, they have become more aggressive, I will say, for consumer durables. More competition has also come in. And I think, just opposite to what you are saying, for automobile industry, consumer durables are very good. And they are very aggressive, these consumer finance companies.

Devanshu Bansal: Fair enough, sir. Thanks for taking my questions. I will come back in the queue for follow-ups.

Moderator: Thank you. The next question is from the line of Percy Panthaki from IIFL Securities Ltd. Please go ahead.

Percy Panthaki: Hi, sir. Couple of questions on the accounting front. So, one is, on a YoY basis, your number of stores have increased by about 20%-25%. But your depreciation for the quarter YoY increased by more than 50%. So, what is the reason for that? That's question one.

Second question is that, if I look at your capex for the first half and divide that by the number of stores that you have opened up, it comes to about INR1.2 crores per store, which is like double of what we typically do. We typically do about INR60 lakhs per store. So, these two questions, if we can just throw some light on, please.

Yashovardhan Sinha: Depreciation, I don't think it has gone up by 50%. It is only because of application of wind, air, amortization. So, this is the reason, whatever is the depreciation, has increased. And what was your second question? You asked that per store, you are dividing our capex to the stores, right? But we are not factoring in that, we are at the same time, we are renovating our stores as well. You are aware that we are a 25 years old company. So, more and more stores are being renovated as well as we are opening new stores. You strictly cannot divide my capex with store count.

Percy Panthaki: Got it, got it. On the first part, on the depreciation, I understand it is the IND AS effect. But the IND AS effect will also be sort of in line with the growth in the square feet or the growth in the stores, right? So, if that is like 25%, why is the depreciation including the IND AS number going up by 50%? We can take this offline also in case you don't have the…

Yashovardhan Sinha: But our increase in store is 26 YoY. Right. So, why it will not go up? Our rent expenses will come in amortization and depreciation. Our capex has also gone up. So, I think it has been calculated by experts.

Percy Panthaki: Okay. Got it, sir. Secondly, just wanted to understand in terms of margins, we have done somewhere around 9.1%-9.2% margin for the first half of the year. Should we take increase in the second half given that it's a festive season and we would get some operating leverage or even the gross margin might be better? What are your thoughts on that, sir?

Yashovardhan Sinha: It all depends on how the market behaves from now onwards. Because as you are also telling us, we are also guiding that especially this marriage season is lined up in this quarter. It all depends on how it behaves. Right now, it will be premature to tell me anything or give any guidance for that.

Percy Panthaki: Okay, sir. That's all from me. Thanks, and all the best.

Moderator: Thank you. The next question is from the line of Aniruddha Joshi from ICICI Securities Limited. Please go ahead.

Aniruddha Joshi: Yes, thanks for the opportunity and congrats for a really great set of numbers. Sir, the question is one of the durable companies has also posted such strong growth rates. And in fact, in general, in consumption, we are hearing in a way commentary from the companies, that there is a massive slowdown. So, have we materially gained market share during the quarter from the other retail companies or how should we read about the numbers? And that is question number one.

And question number two, at least in the western markets, we are seeing various companies including Apple or other laptop companies, etc. They are setting up their own stores also. So, do you see that kind of a trade happening in the eastern part of India? And what will be our strategy in that case?

Yashovardhan Sinha: Sir, for your question number one, actually, you said that there is a slowdown. Yes, there is a slowdown definitely. Because had that slowdown not been there, we would have grown by 30%-35%. I'll put it like this. So, we are doing extremely well in whatever slowdown has come. And slowdown is there, of course. But we have been trying not to lose our market.

And second, when you say that any brand store will come, actually, brand store, I think in the geography where we are operating, it will be the last thing that these brand stores are going to come. In our discussion with them, they say that they will be present only in metros, big cities, not small cities. Like Apple store or anything, whatever you are thinking about. So, we will be totally insulated in this part of geography of India.

Aniruddha Joshi: Okay. Sure, sir. Understood. And lastly, third question. We are also seeing that there is an online component also growing. For example, one of the gears like, let's say, Croma is also presenting in a way online sales also. So, I guess regarding our policies to get into that market. Or in a way, we are seeing quick commerce. At least in products like kitchen appliances, we have seen quick commerce is doing very well in a city like Mumbai also. So, obviously, it may not be now, but in a period of, let's say, 1 year-2 years, it may spread to the cities in eastern India also. So, what will be our strategy in that case? Or whether Aditya Vision has any plans to get into online business model too?

Yashovardhan Sinha: Not at the moment. Aditya Vision is not thinking about having online market as a whole. But as far as Croma, as you said, we don't quote any brands. But as far as other competitors are concerned, who are present online also, we don't think that we have been saying all the time that in this part of India, people prefer seeing goods and feeling it. And it is like a family affair going to a store and buying. In fact, it is not going to impact us. And actually, it's not that these big brands are not present in the areas where we are operating, they are. But because of our strategy, we have been able to give continuous growth.

Aniruddha Joshi: Okay. Sure, sir. Understood. Very helpful. Thank you.

Moderator: Thank you. The next question is from the line of Manoj Gori from Equirus Capital. Please go ahead.

Manoj Gori: Yes. Hi. Good evening, everyone. Thanks for the opportunity. I have one question. So, like you just highlighted, sir, that there has been some slowdown. But obviously, because we have been taking number of efforts and initiatives in terms of store openings and various other things, we have been relatively doing better versus the industry. Now, obviously, even you highlighted on Q3 that festive season and also the marriage season seems encouraging.

But from a medium-term point of view, when we say that this year monsoons have been good, obviously, we just want to understand that what's the seasonality part with regards to good monsoons leading to higher incomes for farmers? What kind of seasonality have we seen in the past? Because obviously, you are in this market for more than 25 years. So, just want to understand because that can accelerate our growth even like more on an SSG point of view, from a medium to long-term point of view.

Yashovardhan Sinha: Manoj, it is our good fortune that monsoons have been very good in last so many years in this part also. And as a whole in most of the part of India. So, monsoons, of course, they play a big role because, as you know, mostly we are present in Tier 2, Tier 3 and even Tier 4 cities, towns. So, we definitely believe that we are going to do very well in future. And these totally unpenetrated areas are going to give us very good results going forward.

Manoj Gori: Right. So secondly, one last question on the profitability or probably on the performance of stores in UP. Internally, obviously, we would have some expectations how the stores would be operating. How that is panning out versus our expectation and probably has there been renewed or increased confidence behind store aggression into those markets? That would be helpful.

Yashovardhan Sinha: Yes, we are very much bullish on UP operations. Our UP operations are doing very well. And in fact, we are already present in around 15 districts out of 75 districts. And most of our 18 stores where work is in progress, most of the stores are from UP itself. Like we are now capturing entire central UP as well. Lucknow being first where we are going to open 6 stores at one time. And then, Bahraich and other, Gonda, these districts we are covering. So, in fact, by end of this financial year, we will be covering entire central UP as well. So, we are doing very well and we are very bullish also. And there is a lot of potential in UP, which we think that we are getting good response.

Manoj Gori: Thanks, sir. That was very helpful and wish you all the best.

Moderator: Thank you. The next question is from the line of Richa from Equity Master Research. Please go ahead.

Richa: Thank you for the opportunity, sir. Sir, my question is, I just wanted to ask, what was the ESOP related expense in the first half of the year? And what does the trajectory look like this year and next?

Yashovardhan Sinha: ESOP related expenses was 2 years YoY, in Q2 FY24. Whereas, ESOP expense is only around INR50 lakhs in this quarter.

Richa: And how do you see it for the entire year and FY26?

Yashovardhan Sinha: So, it will, of course, be divided in the quarter. So, it will be INR50 lakhs to INR60 lakhs each quarter.

Richa: Okay. And, sir, what is your outlook on ASPs considering that, you know, the premiumization trend is there, but, you know, new categories perhaps you are adding. So, what kind of product mix do you envisage and at what rate our ASPs can grow, if at all?

Yashovardhan Sinha: I have already spoken on ASPs that because most of the prices have come down, most of the categories, their prices have come down. So, our ASP has dipped by 1.3%. But we are very much hopeful that the new premium product is going to have better ASP going forward. So, definitely, we are continuously trying to increase our ASP.

Richa: Okay. And, sir, we are, I think, already number one in Jharkhand, right? Just wanted to understand what kind of market shares have we captured in the new geography, in the states of Jharkhand and Bihar so far?

Yashovardhan Sinha: Bihar, we have already, as per manufacturers, we have already captured around 60% of markets. And in Jharkhand, in only 2 years of operation, we have captured nearly 15%.

Richa: Okay. I'll come back in the queue.

Moderator: Thank you. The next question is from the line of Amit Jeswani from Stallion Asset. Please go ahead.

Amit Jeswani: Sinhaji, decent set, given the consumer slowdown. If the consumer is fine, then would you say that 30% kind of growth would be a structural growth in our business, if you keep opening 20% stores, Sinhaji? Because it looks like our 20% store growth will continue every year. That is the new normal, I think.

Yashovardhan Sinha: So, Amit, you are absolutely right. We are looking forward to such type of growth. In fact, we have been doing in past 10 years to 15 years. So, we will look forward to growth of 30%, 35% continuously. And we hope that we are going to achieve it as well.

Amit Jeswani: Because, sir, I see, Sinhaji, that our SSG is now the highest in the retail pack, if you see. I mean, even in bad consumer sentiment, if we can do 15%, 17% SSG in the first half, that means that is a normal thing for us, that 15%, 17%. Do you think, Sinhaji, this kind of SSG is sustainable?

Yashovardhan Sinha: Amit, I can explain it to you like this. What we are saying again and again. Earlier, in the earnings call, we said that we are operating in a very under-penetrated market. That is why SSG will remain high. Because it is not that we are in a very crowded market, where the demand is already exhausted. So, demand will continue to come here. This is the reason our SSG is very good. And we think that going forward, our SSG will remain like this.

Amit Jeswani: Got it. And Sinhaji, how many stores are you opening in UP out of 18?

Yashovardhan Sinha: Out of 18, we don't have an exact number. Out of 18, 10 stores are in UP.

Amit Jeswani: And the square feet, the revenue per square feet, Sinhaji, like it is our first year in UP. But the revenue per square feet, like we are doing 45,000 on the overall Aditya Vision level. In UP, have we been able to reach that kind of 30,000, 20,000? Like we have 6 crores, 12 crores, 18 crores. Year 1, 6 crores.

Yashovardhan Sinha: So, we are bang on, on whatever our guidance is. And in fact, we are exceeding those numbers. So, it will be good. And I think you will get that in the investor presentation, the range for UP.

Amit Jeswani: Right. And the 6 stores that we are opening in Lucknow, do you think we were in the blue ocean market till now and now we are in red? How is the competitive scenario like in UP that we are facing?

Yashovardhan Sinha: Because I will always tell you, Amit, that that is the same ocean where we were operating. It is about our thinking that it is a red ocean and this is a blue ocean. I will say, everything is similar to Bihar.

Amit Jeswani: Right. Because I am seeing Varanasi and all this, you have done very well, which our data tells. Now, it's about the market and the rentals will change, right, in Lucknow and all these kinds of things. But revenues will also change.

Yashovardhan Sinha: Rentals are definitely slightly higher in Lucknow as it is the capital of course. And it's a very big, huge city also. And the population is also very big. So, market is also, I think, quite large. And again, penetration level is low even in UP and even in Lucknow also compared to the population. So, I think we are opening 6 stores only with this expectation that we must be known immediately, quickly. And our strategy slightly shifted as I can tell you that we are opening more stores in H2. And this is as per our strategy only.

Because when we open more stores in H1, we are adding opex with no great addition in revenue and footfall remains low in Q2. But if we open more stores in H2, all branches opened will be ready to enter into Q1, which remains our best quarter and with best busiest footprints as well. So, not only our new customers will come to know about us very quickly, but also our new branches will start breaking even more quickly due to this shift in policy. But anyway, we are not saying that we can try to push opening ahead. But we will keep opening stores as per opportunity in H1 also.

Amit Jeswani: Got it. So, now basically going forward, we will open more stores in H2 and less in H1.

Yashovardhan Sinha: Yes, and I have shared its strategic reason.

Amit Jeswani: Very clear. One more thing, Mr. Sinha. So, 18 stores you said will be opened by January. Will more stores open after that or will they stop at 18, this year?

Yashovardhan Sinha: No, they will not stop anywhere. But you always exceed my expectations. So, yes, by January, February, these are already work in progress. So, maybe we will be opening more stores also. But right now, this is the situation. And these stores will be functional by latest by February. But our strategy of continuously opening may exceed whatever I have been saying.

Amit Jeswani: Got it. Good luck, Mr. Sinha. I feel good and happy when I listen to you. Good luck to you also.

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

Vivek Gautam: Congratulations, sir, for good performance in an otherwise slow quarter. And seeing the competition for us, the competition companies, we have our performance really good, sir. Sir, my question is about the penetration level in India. I was reading somewhere that the penetration level of ACs, especially in compressors and related products is hardly 7% in India versus 62% for China. And then, thanks to this, even in our geography, it might be even lower.

And what about this? So, our potential to grow, I just wanted to have an idea. And how are you finding the situation on the ground level from the cooler to AC movement? Thanks to the financing and other things, are people really in the lower class, even lower middle class, they are all opting for ACs?

Yashovardhan Sinha: I will not say exactly, more and more people are from cooler, they are shifting to ACs. Because cooler has got a different category altogether. But it is true that because of easy financing, the marginal people who decide between cooler and AC, they go for AC. So, this market is bound to increase manifold. And as you said, that penetration level is extremely low, around 2% in this side. So, plenty of potential is there.

Vivek Gautam: I would also like to congratulate you on establishing Aditya Vision as a big brand. And I believe now the different OEMs must be having a fight amongst themselves to have a better display and relationship with Aditya Vision. So, the effort which you have put in, how is it acting as a differentiating factor for us, even in Bihar and especially in the new geographies like Jharkhand and UP, the Aditya Vision as a brand?

Yashovardhan Sinha: Your previous, whatever you have been doing, actually manufacturers are very important in this format of retailing. So, manufacturers, they keep on supporting you. And because of your long history, like your company, Aditya Vision is 25 years old. So, they have been having this relationship for 25 years. So, they know our potential. They understand how we work. They understand how we can achieve results. So, they are very much in line with whatever we do.

Vivek Gautam: Also, congratulations on the NSE listing. You are walking the talk. And as such, many of our pledging and other facilities are also available. So far, many of the brokerages and other people don't provide loan against our shares. So, it's pretty simple. Congratulations once again, sir. Keep up the good work, sir.

Yashovardhan Sinha: This is always our endeavour; we try to give more and more and create more and more investor's value.

Vivek Gautam: Yes, sir. Absolutely. Fantastic, sir. I've been tracking your company since semi-listing. And the journey you have created is fantastic for the whole host of your investors. And especially the employees also. It's really remarkable. The first big success story from Bihar and employees are also getting the ESOP, sir. Thanks a lot.

Yashovardhan Sinha: Thank you, Vivek. Thank you so much for your good comments.

Moderator: Thank you. The next follow-up question is from the line of Devanshu Bansal from Emkay

Global Financial Services. Please go ahead.

Devanshu Bansal: Yes, sir. Hi. Thanks for the follow-up opportunity. Few bookkeeping questions, sir. In Q2, what is our SSG? H1, we have declared. We know the Q1 number. What is the SSG for Q2 specifically?

Yashovardhan Sinha: SSG for Q2, you are asking, isn't it? SSG for Q1 or Q2?

Devanshu Bansal: Q2.

Yashovardhan Sinha: Q2 has been 10%. And for half year, H1 FY25, it has been 17%.

Devanshu Bansal: Yes, sir. Yes. And secondly, I wanted to check, AC specifically as a category has done very well. You shared 56% growth for ACs in Q1. How has been the trend in Q2, sir?

Yashovardhan Sinha: It has been very good. In fact, a similar trend has been observed in Q2 also.

Devanshu Bansal: Understood, sir. And last question from my end. We are planning to add quite a few number of stores as well as March ending typically sees an increase in inventory due to seasonal fluctuations. Do you foresee increase in debt? And what are your expectations on closing debt levels by year end?

Yashovardhan Sinha: Actually, as you will find that we are clearly, still we are net debt free sitting on this inventory also. These are cash resources. We are still net debt free company. Even on this size of inventory. So, we don't foresee any unrealistic use of working capital.

Devanshu Bansal: Okay. So, if I understood, my question was more from FY25 ending debt level.

Yashovardhan Sinha: Yes, FY25 March. I can understand that you are asking and that time we will be having requirement of more and more inventory. So, you are asking about the short-term debt. So, it will be of use actually, most of our working capital limits are still intact. If at all we are going to require any additional funds, we are going to use it.

Devanshu Bansal: Understood. Thanks for taking my questions.

Moderator: Thank you. The next question is from the line of Sakhi Pratap from Pratap Securities. Please go ahead.

Sakhi Pratap: Hello. Hi. Thank you for the opportunity. Sir, I just wanted to understand the inter-segmental performance. So, basically amongst all the consumer durable products, if you could just highlight in detail how air conditioners performed, washing machines, refrigerators and other digital devices. If you could just go into the depth, how was Q2 for all these different devices, that would be very helpful.

Yashovardhan Sinha: I will tell you. Large appliances contributed to around H1 FY25. Or you just want to know this.

Sakhi Pratap: In Q2.

Yashovardhan Sinha: In Q2. Right now, I am having figures for category contribution for entire H1. So, large appliances have contributed 65%. Digital gadgets came down by 2% to 18% due to decrease in prices of mobile and laptop. And extended summer persuaded people to delay their purchases of mobile and other products. And other 17% rise of 2% against last year due to rise in sale of seasonal products such as coolers, batteries, inverters, etc. So, H1 FY24, LY was almost same. Large appliances 65%, digital gadgets were 20% compared to 18% this year. And others were 17% and 15% last year.

Sakhi Pratap: Got it. This was helpful. But, if we just put aside the numbers, if you could qualitatively explain, how did the quarter look like? Like, on a general level, did you see more air conditioners flowing out? Or, because it was monsoons, more cooktops and soundbars did well? Did washing machines?

Yashovardhan Sinha: ACs have continued to do well. And, followed by refrigerators and washers. And washers were a very good category.

Sakhi Pratap: Sorry, ACs continued to do well, followed by?

Yashovardhan Sinha: Followed by refrigerators. And televisions and followed by lastly washers.

Sakhi Pratap: Any other trend that you observed around the inter-segmental products?

Yashovardhan Sinha: One very good trend which we are observing is that, sale of ACs is very steadily, steadily spreading to the entire financial year. Which previously, it was very much concentrated in Q1. Now, we are seeing that it is spreading to entire financial year. This is the trend we are observing.

Sakhi Pratap: Okay. Got it. Thank you so much, sir. And congratulations on the great set of numbers.

Moderator: Thank you. Ladies and gentlemen, we will take this. We will take our next question from the line of Lakshmi Narayan Mishra from Baroda BNP Paribas. Please go ahead.

Lakshmi Narayan Mishra: Congratulations, sir, on good set of numbers. Sir, I have one question. If you see, last 2-3 years, there have been very good credit cycle period in terms of asset quality. And because of that, we saw aggressive lending by NBFC, Fintechs, and banks, for that matter, in under-served banking or credit areas, which typically was rural or Tier 2- Tier 3 cities. So now, given that RBI has pressed the button on retail loans or credit cards due to the stress which is building there, are you seeing any sales getting rejected because of credit not being available? Any insights on that which you are seeing on ground?

Yashovardhan Sinha: Mr. Lakshmi, actually, there is no impact here in this part of the country, I mean, where we are operating, the areas in which we are operating. So, in fact, they have become very aggressive, these NBFCs or retail financers. And many players have also come in. In fact, a new player, TVS, they have gotten. So, they are all, in fact, eying for market. And I don't think that there is any problem in their lending or credit is any problem.

Lakshmi Narayan Mishra: Okay. So, this quarter was bad purely due to demand situation. So, no issues on credit side. So, credit is still available. This is what you are saying.

Yashovardhan Sinha: Our quarter was not bad. We gave 20% growth. But anyway, yes.

Lakshmi Narayan Mishra: Based on our standards. So, I am not comparing.

Yashovardhan Sinha: I am really happy. But yes, of course, we would be striving to do much better. Yes.

Lakshmi Narayan Mishra: Okay. All the best. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we will take these as the last question. I now hand the conference over to the management for closing comments.

Yashovardhan Sinha: Okay. Thank you. We trust that we have addressed all your inquiries to your satisfaction. If you have any remaining unanswered questions, please do not hesitate to contact our investor relation agency, Go India Advisors. They will be more than happy to assist you further. Thank you so much. Take care. Bye-bye.

Moderator: Thank you. On behalf of IIFL Securities Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.