

Date: 16<sup>th</sup> November, 2021

To,  
The Manager  
Compliance Department  
**BSE Limited**  
Corporate Service Department  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001.

The Manager  
Compliance Department  
**National Stock Exchange of India Limited**  
Exchange Plaza, Plot No. C/1,  
G Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai - 400 051.

Dear Sir / Madam,

Re: **Tribhovandas Bhimji Zaveri Limited. Script Code & ID: 534369 / TBZ**  
Sub: **Transcript of Conference Call with the Investors/ Analyst**

The Company had organized a conference call with the Investors / Analysts on Friday, 12<sup>th</sup> November, 2021 at 4.30 p.m. (IST). A copy of transcript of conference call held with the Investors/ Analysts is enclosed herewith and the same has also been put up on the Company's Website at [www.tbztheoriginal.com](http://www.tbztheoriginal.com).

We request you to kindly take the same on record.

Thanking You.

Yours faithfully,  
For **Tribhovandas Bhimji Zaveri Limited**



**Niraj Oza**  
Head - Legal & Company Secretary



Encl: as above

**tbz**<sup>®</sup>  
The original since 1864

TRIBHOVANDAS BHIMJI ZAVERI LTD.

CIN No : L27205MH2007PLC172598

Regd. Office: 241/243, Zaveri Bazar, Mumbai - 400 002. Tel : +91 22 3956 5001, 91 22 4046 5001

Corp. Office: 11<sup>th</sup> Floor, West Wing, Tidelink Chambers, Free Press Journal Road, Nariman Point, Mumbai - 400 021. Tel.: 022 3073 5000, 91 22 4925 5000

[www.tbztheoriginal.com](http://www.tbztheoriginal.com)

**Tribhovandas Bhimji Zaveri Limited**  
**Earnings Conference Call**  
**November 12, 2021**

---

**Moderator:** Good evening, Ladies and gentlemen. I am Vikram Moderator for this conference. Welcome to the Q2 FY22 Earnings Conference Call of Tribhovandas Bhimji Zaveri Limited organized by Dickenson World IR. At this moment, all participants are in the listen-only mode. Later we will conduct a question-and-answer session. At that time, if you have a question please press “\*” then “1” on your telephone keypad. Please note this conference is being recorded. I now hand the floor to Ms. Pushpa Mani. Thank you and over to you, ma’am.

**Pushpa Mani:** Thank you Vikram. Good evening, everyone. I welcome you all to the Earnings Call of TBZ Limited for the second quarter and half year ended FY22. Today, on this call the management of TBZ will be represented by the Chairman and Managing Director Mr. Shrikant Zaveri and the Chief Financial Officer – Mr. Saurav Banerjee. Before we get started, I would like to remind you that remarks made today might include some forward-looking statements and actual results may vary materially from those contemplated by forward looking statements. Any statement we make on this call today is based on our assumptions as of date and we are in no obligation to update the statement as a result of new information of future events. I would now invite Mr. Shrikant Zaveri to make the opening remarks. Thank you and over to you, Sir.

**Shrikant Zaveri:** Good evening, everyone. I welcome you all to the earning call of Tribhovandas Bhimji Zaveri Limited for the second quarter and half year ended FY22. I would like to thank everyone for sparing your valuable time and joining us here today. We hope all our stakeholders, customers and suppliers are keeping safe and healthy. The quarter was marked by recovery in the demand and improvement in consumer sentiments as the economy gradually came out blip of the second wave of COVID-19 pandemic. Reduction in COVID cases in wide vaccination coverage given a significant boost to the consumer confidence and moral. As the pandemic severity seems to have reduced business is progressing during normalcy and the same is reflected in the consumer sentiments. All our stores across these geographies are fully operational and the number of walk-ins has been very encouraging during the quarter with the new customer walk-in reaching 65% in August 21.

To tap the market opportunity and keep in mind the strong run up in the demand the company specifically invested in brand building and brand promotion across various social media platforms. Televisions, print media, outdoor, advertising etc. Our digital campaigns also focused on walk-in to stores by a geo local targeting. Community specific and product specific campaigns as per the ongoing trends. Various campaigns of Raksha Bandhan, Durga Puja and

Vara Lakshmi along with Mangala Temple, jewellery collection promotion and as an attractive tactical offer drove customers back to the stores. Moreover, to cater to a young generation and working professional we have a special collection to suit their preferences. For us at TBZ the customers remain our key focus and we are driven by our customer centric approach through continuous innovation in product, product design and consumer friendly tech interventions and superior quality at competitive rates.

The outlook for the second half would be financial year is positive with very encouraging trends seeing during the ongoing festival and wedding season and TBZ is well positioned to take advantage of the same. With this, I would now like to hand over the call to our CFO Mr. Saurav Banerjee for a quick overview of financial performance during the quarter. Over to Mr. Saurav Banerjee.

**Saurav Banerjee:**

Thank you sir. Good evening, everybody. I shall first take you through the key highlights of the second quarter and half year ended FY21-22 numbers. I shall first read out the quarter numbers and then the half numbers for you. Q2 FY22 the total income from operations revenues generated in Rs. 456 crores vis-a-vis YoY Q2 FY21 273 crores YoY increase of 67%. Gross profit Rs. 50 crores vis-a-vis Rs.58 crores for the last quarter Q2 a drop of 15% gross margins at approximately 11% vis-a-vis 21% for the last quarter last year. EBITDA at about 21 crores vis-a-vis 41 crores for the last Q2. EBITDA percentage 4.52% vis-a-vis 14.97%, PBT at 9 crores vis-a-vis 22 crores for the last quarter Q2 FY21. PBT margins at 1.99% vis-a-vis 8%. PAT at 6.62 crores vis-a-vis 14 crores for the Q2 FY21. As far as the half year numbers are concerned total income generated in 650 crores vis-a-vis 353 crores for last year for H1 a YoY growth of 84% gross profit at 72.6 crores vis-a-vis about 67 crores for last year H1 gross margins for H1 FY22 at 11.18% vis-a-vis 18.9%. EBITDA at 20 crores vis-a-vis about 32 crores for last half year. EBITDA margins at 3.0% vis-a-vis 9.2%, PBT at negative of 3.45 crores vis-a-vis 3.68 crores negative and PAT at negative of 2.49 crores for this half year vis-a-vis a negative of 5.0 crores for the last year H1 FY21. I would now like to invite everybody for the Q&A session.

**Moderator:**

Thank you very much sir. Ladies and gentlemen, we will now begin the question and answer session. We have a first question from the line of Pranav Tendulkar from Rare Enterprises. Please go ahead.

**Pranav Tendulkar:**

So 10 years almost 9 years ago our EBITDA was around 125 crores and I think 10 and 12 months is also similar number, so where are we missing the larger story, so there is a huge untapped market, GST has happened, everything has happened, but our margin is actually not gone better neither has our growth picked up, so where are the levers and where are the opportunities that is one and what have we missed in last 9 years that is one second is what is the aspiration of management, can our jewellery margin ever be double digits or is it going to be in the same range of 5% to 7% in the near future?

**Saurav Banerjee:** As far as 9 years, 10 years are concerned well that is a very long story and we have spoken about it many a times earlier. I would probably refer to focus on what is happening currently in the last couple of years or so and more on what is happening right now as we speak. The important thing to note as we all know that in the recent past every company and every business and the economy has been very adversely affected because of COVID and because of the pandemic and the presented lockdowns. So, the numbers that we can see today if you are looking at the half year numbers or the EBITDA numbers for the quarter also, I would say it is very difficult to make an apple-to-apple comparison with what has happened in the past. In terms of half year if you are asking what exactly went wrong well the first quarter has been a wash out.

**Pranav Tendulkar:** Not half year I am saying can our margin ever become say 9% to 10% in near future and growth be comparable to say industry leaders?

**Saurav Banerjee:** Yes it can so the proof lies in the half year of last year if you see the EBITDA margin for H1 2021 you will see the EBITDA margin is above 9% so while I am not saying that it will be consistently 9% or 10% all the time, but to answer your question it is definitely possible to register those kind of margins at the EBITDA level that is one thing. Secondly the gross margins have got reduced in this quarter once again I do have to refer to the quarter because otherwise, we will be speaking out of reference. So, the gold prices, the changes in gold prices impacts the jewellery industry the retail jewelry industry from time-to-time whether it is an increase or a decrease. So, when we had an increase in gold prices we are seeing that gross margins have improved to a certain extent and when the gold prices dropped the gross margins are impacted in a negative sense. It happens to virtually all the players in the market, and it is part of the overall business scenario which we have to go through as a retail jewelry company. In terms of management outlook, we are focused on several things which we are trying to do simultaneously which is how the dynamism of the company has to be demonstrated. We are very focused on the topline we would like to grow it there has been very efforts which have been taken to bring back customers, the footfalls have improved, conversion rate has improved and you can see that the overall revenues or the top line of the company has improved over what was it earlier. In terms of expenses, we have taken several steps in the last one year or little more than one year rationalized expenses to bring down overhead and that also has resulted in higher margins at the EBITDA level which I just mentioned to you about. The third thing is that the balance sheet has been strengthened very, very substantially. There has been a very strategic rationalization of inventory, there has been lot of cash flow generated from paying up off inventory and which has helped us in reducing the debt. The debts have been reduced very substantially; finance cost has come down. So, overall, I would say there are various clear indicators that the company is focused on right areas for improving its business as well as the financial numbers over a period of whether you can say a short term or a medium term or a long-term kind of a scenario.

**Pranav Tendulkar:** Any aspirational margin that you have in mind that you will reach say in one to two years?

**Saurav Banerjee:** Are you referring to EBITDA margins.

**Pranav Tendulkar:** Yes, EBITDA margins.

**Saurav Banerjee:** So, EBITDA margins aspirations there is no end to aspirations, but to be practical as well as aspirational I would say that EBITDA margin which are in the range of 7% to 9% is something which is very achievable, and we should be able to demonstrate that consistently in the near future. Above that difficult to say at this stage I mean the aspirations will always be there, but 7% to 9% I think is something which I can sort of practically and emphatically say that kind of range of EBITDA margin is very much possible.

**Moderator:** Thank you. We have next question from the line of Harish Shah from HS Investments. Please go ahead.

**Harish Shah:** We have seen a reduction in interest cost at what revenue run rate can we see our company profit to the extent you can fund your expansion and distribute the profits?

**Saurav Banerjee:** Finance cost has you have rightly indicated has been reduced and we have taken lot of efforts to do so. In terms of revenue as I said that the numbers that we are currently reporting or discussing perhaps are not the ideal or the normal kind of numbers they have been impacted because of circumstances beyond everybody's control. So, in terms of revenue generation I think TBZ can look at levels of 1,900 to 2,000 crores for sure and then an expansion plan in mind which is very much there given the opportunities that are sort of forthcoming and one can see that there will be good reason to expand in the very near future one can say that sales-to-sales growth added with new stores coming up should take the revenue levels to above 2,000 crores probably at about 2,100 crores, 2,200 crores at some point of time not too distant future. So, it is very difficult to really pinpoint and say a date and time or a month, but as I said that within probably a medium term kind of a scenario we should be looking at those levels of revenues which will be a combination of sales-to-sales growth which we are already able to see, we can clearly see the kind of growth that is coming the business is bouncing back, we are reaching almost normalcy levels nowadays and along with that we can also see that there are opportunities now that the economy is stabilizing, consumer centric are quite positive. As you said that you know there is a lot to be done within India itself geographical locations that we would like to cover or we would like to extent our reach too and we have taken note of the same we have sort of plan to progress in mind and once we go ahead with that you will be able to see that we shall be reporting those kind of robust top lines.

**Harish Shah:** So, what is the ideal inventory term as like that the company is targeting this is with respect to both our diamond as well as gold jewelry business we have just seen that it has remained stagnant quite for some time and my second question is what is your strategy to improve your turnover ratio?

**Saurav Banerjee:** So, in terms of ideal inventory term if you ask me for gold, it will be close to three times somewhere in the high two and close to three or maybe in three. Incidentally let me tell you that all stores do not perform and the same level of efficiency or capabilities because of various reasons, because of the geographical market, because of the consumer sentiments that are probably localized, but we have stores and several of them who have an inventory term which is higher than 3 also for gold. So, I would say ideally somewhere in the 2.7 to 3 range should be not beyond us. One can obviously do better than that also. In terms of diamond, I would probably stay at 1 to 1.2 times which can be taken as sort of an ideal kind of turn for diamond.

**Moderator:** Thank you. We have next question from the line of Abhishek Jain from Arihant Capital. Please go ahead.

**Abhishek Jain:** Can you throw some light on the consumer sentiment how it is happening right now because yesterday there was a report some media so we are having 1,25,000 wedding in next month so how the things are shaping up obviously the Mumbai we have actually opened up much later right now relatively some of the other states right now and any cost cutting thing because some of the stores may not be profitable, so are you planning to close down some of the stores or some store rationalization happening and on the online sales also if you can throw some light on the same?

**Saurav Banerjee:** So, consumer sentiment we have seen a very clear and positive improvement in consumer sentiments and obviously the reasons are well known. One is that opening of the economy enabling a lot of mobility within the country because the lockdowns were gradually listed, COVID second wave was very severe, but after that it has sort of come down to a certain extent. The vaccination drive which has been fairly successive in India so far, I think these have clearly contributed to customers becoming more confident and coming out and doing their purchases or whatever their requirements were. So, that has been clearly seen in the retail jewellery space and in TBZ as well. Walk-in are clearly gone up even in the second quarter. One needs to remember that second quarter is oppose to be I would say a rather flat kind of a quarter in the jewellery industry, but in spite of that we have seen because of the demand pent up demand we have seen that our new customer walk-in has increased by almost 51% in some of the recent months and even those customers who had become dormant as I said people went into their shell because of the fear of infection and various other reason about 14% to 15% of those customers also has started coming back to the stores and starting making questions. This is very clearly seen you can see that the top line growth is there I must also add that in October and so far in November the festive occasions like Dussehra, Dhanteras, Guru Pushya Nakshatra, Durga Puja, Varalakshmi and the run up from let us say Dussehra right up to Dhanteras and Diwali have seen very good growth a lot of revenue generation, footfall conversion everything has really spiked up and hence that gives us a lot of confidence that the scenario are getting their stores to those original kind of levels where one can generate revenue and can expect a lot of customer interaction, not just the festivities, but lot of weddings you also touched upon that point. Yes that is true lots of wedding dates in December itself for which purchases are

already happened would have happened in October as well as happening in November so people tend to make their purchases and finish those activities well before the wedding days borrowing some last-minute purchases and also going into the next calendar year let us say there are wedding dates which will be lined up and coming up. So, I think the scenario looks very buoyant from now onwards we have the opportunity, we have the brand, we have the legacy, and we have a customer base to cash in upon and come out with I would say very encouraging numbers in terms of revenue generation that is one thing. Number two you wanted to know something about online sales.

**Abhishek Jain:** Yes.

**Saurav Banerjee:** So online sales it is part and parcel of today's day-to-day life while in jewelry online sales is happening and that is a very encouraging sign, but perhaps you know the customer at least in India are still probably a little more comfortable in going across to a store with their near and dear ones and just making a purchase on a physical kind of a format. When there was no such activity possible at that time, we are seeing a lot of online interaction and traction happening with the customers and with the TBZ retail team and that was very encouraging at that time. However, the moment the customers have sort of got an opportunity to come out of their home and visit the stores I think the preference is still there for a brick-and-mortar kind of a setup and it is justified by some of the other companies who were purely online at one point of time I will not name them they are very well known companies and they have also opened several stores, brick and mortar stores and we can see people going to those stores also. So, online sales of jewelry is something which is happening probably not yet matured it will take fairly I would say long time for maturity levels to be reached in terms of online sales, but the journey has begun, and which is very encouraging we are present online on several platforms so we can see that gradually things are becoming little more interesting on that front.

**Abhishek Jain:** Sir two more questions if you can take it one is basically what has been changed in organized and unorganized in last 18 months, 24 months do you see we are going to be benefitted more going forward with the government making it mandatory BISL certification do you see any change in the demand going forward?

**Saurav Banerjee:** Yes organized and unorganized sector in the jewelry industry has definitely witnessed the C change not just in the last 24 months, but even earlier also the gradual change has always been happening for about like three, four years now and one can see that the unorganized sector is probably because of the regulations, the nature of the business which is currently being conducted or being regulated by the government through various modes you spoke about BIS hallmarking, GST is there and several other I would say mandatory rules or laws that have to be abided by. The unorganized sector is finding it a bit challenging to do business in this kind of an environment. There are mom and pop shop which are struggling, or which probably has already closed and bring something else and there has been some kind of consolidation which is also happening. So, the organized sector is something that is doing better. It is the preferred

sector for customers as well because the aspirations in most of the places is to buy branded jewelry to associated themselves with a brand or with a name which is well known, which is trustworthy and which is ever reliable. So, I think that is clearly seen not just in the metro cities or the big cities, but more so I would say in the two tier and three tier cities where the aspirations for owning a branded piece of jewelry is at a very high level nowadays. So, that is very encouraging for the organized sector I am quite sure that a combination of the regulatory efforts of the government as well as the overall environment and the preference of the customers will need to this sector becoming stronger and stronger.

**Abhishek Jain:** And sir sorry I have been repetitive can you give me the volume numbers, can you give me the online sales in terms of value?

**Saurav Banerjee:** Online sales well very frankly as I said it will be a small percentage of our total number. So, perhaps not worth mentioning I can clearly tell you that it will be a small number maybe going forward by the time this financial year ends probably that is the better time I am not saying right time, but better time to try and look at what kind of progress has been made on the online front. Right now, it will be a small number.

**Abhishek Jain:** But sir as we have seen like company like Melorra and there are two, three other companies are there right now they have been very aggressive right now so do not you think the kind of brand we are having right now we should take that thing as an advantage or vis-a-vis competitors

**Saurav Banerjee:** As I said that we are present online there is a lot of effort being put to enhance our presence and our revenue what should I say generation efforts online, but as I said it is a journey it cannot happen very quickly Melorra and some of the other names that you mentioned are primarily online companies, their entire business model is around that. We are not primarily online company. So, our business model has that capability and have also that section is there, that part is there, but as I said it is a relatively smaller part may be over a period of time, we should be able to make our presence felt even stronger online platform.

**Abhishek Jain:** Sir last question do you see among all the areas which you have a presence like all over country like 31 stores in 25 cities which are the areas we are getting the maximum traction right now at this point of time maybe in the like geography wise if you can throw some light on the same and second thing any close down of store is there right now as part of restructuring or you want to like 31 stores will remain 31 and you obviously want to go ahead going expansion only?

**Saurav Banerjee:** So, no close down of stores are planned or are going to happen currently. In fact, as I said little bit earlier, we are looking at opportunities to grow and expand by opening new stores in new geographies within India. As far as your question the first question the earlier question that you asked in terms of geographical presence as of now TBZ presence is relatively stronger in the western part of the country particularly in Gujarat and Maharashtra and hence obviously

naturally a greater percentage of sales is generated from these two states or stores in these two states. However, we are fairly-well entrenched although not too many stores, but we are well entrenched in places like Hyderabad, Vijayawada, Kolkata in the eastern sector Patna and some of the cities in the central part of India as well as in the northern part in Noida and Udaipur. So, the geographical spread is there, there are of course areas which wherein we are currently not present but let us say we are looking at opportunities to spread our wings in those areas also.

**Moderator:** Thank you. We have next question from the line of Mihir Desai from Desai Investments. Please go ahead.

**Mihir Desai:** Can you throw some light on your plans for brand building and promotion going ahead?

**Saurav Banerjee:** Brand building and promotion is an activity which is I would say absolutely mandatory or essentially to retail jewelry company considering the kind of market place that we exist in and the kind of competition that is around us whether in the form of national player or the regional players or even the local strong local single store players. So, I think the focus has always been on marketing initiatives. If you look at our presentation, we have dedicated one full fly or one full page to some of the campaigns or some of the efforts that have been taken. So, there are two aspects to it one is the brand building kind of activity, which is more long term, which is more spread out over a longer period of time, and it is a continuous effort to strengthen the brand to communicate with customer or tell our story or whatever we have to offer to them to reach those customers by way of a very effective communication. So, TBZ has done that quite effectively in the past and in future also you will see we try and use media vehicles as well as various other methods of reaching out to customers either on a one-on-one basis or on a general public kind of a vehicles so we have taken the help of print media, outdoor once a while television as and when we have thought it right, radio, digital efforts have been put and also on the other hand as I said the individualistic kind of or the personal kind of connect by having exhibition or taking the store sort of literally taking the store to a residential area or to a society or to a corporate office or some club or some such place where a lot of people can gather and they can interact with our retail team and look at our jewelry and buy them. We hold exhibitions in cities where we are not currently present to sort of give them a flavor of what TBZ is all about and we have seen that these exhibitions have been successful over a period. Just to share with you various things that we have done is that we have been very active on Facebook and Instagram, we have driven walk-in to the stores through local targeting as I said communities specific and product specific campaign. India is a very vast country the kind of jewelry that people like in India is very varied from one region to another, one state to another, one city to another and TBZ has been able to cater to that kind of demands or aspirations of people. So, overall, and also the tactical campaigns. So, there is a short-term kind of an effort and a long term. So, the short-term kind of effort is defined by the tactical campaigns, by the offers that are communicated from time-to-time looking at a particular festival or trying to attract a particular community or a regional kind of an effort which is done

we use vernacular language also to communicate as well as the English and Hindi language which is sort of a universal kind of a language. So, briefly this is what the efforts are and will continue to be for TBZ we will look at innovating ways of communication. So, the key is that we have to be customer centric, and we have to communicate effectively and well for people to understand what we are saying no ambiguity, no false promises, say things direct and in an efficient manner so that people understand, and they visit our stores and then make the purchases.

**Mihir Desai:** My next question would be on a cost front like so many activities which we are doing on advertising side, so what could be the spend which we can consider for coming quarters or the second half of the year?

**Saurav Banerjee:** So, let me share some of the numbers of course they are somewhere in the presentation or maybe on the P&L. Currently we have spent about 11 odd crores in the first and the second quarter the advertising spends have been approximately around 11 odd crores. What we intend to do of course this is I will say on a broad-based basis the advertising marketing team will probably look at the final points of advertising, but we shall continue to use the media advertising as I said which is effective for TBZ. So, many times people feel that why are you not there on television, you are not there on the outdoors or maybe you are not doing digital enough and that is all kind of a guess work. What we need to look at and what we do look as a company which is that vehicle or which is that platform, which is more suitable for the company. So, we will continue focus on those things in terms of advertising spends for me it is a little difficult for me to say exactly what is going to happen, but I suppose that we should be looking at the similar kind of spend. For example, the quick view to spend I think about 7 to 8 crores, and we will be looking at that kind of spend if required in the forthcoming quarters as well. As I said everything is based on requirement on based on what we need to achieve in the short term or long-term measures.

**Mihir Desai:** One last question was on the can you please share what did the share of studded and gold jewelry share in our festive season?

**Saurav Banerjee:** I mean festive season if you are referring to Dussehra, Diwali, Dhanteras then that is technically Quarter 3 and we shall certainly discuss that in the next quarter results, but just to give you a flavor the share has been fairly I would say encouraging. Normally what we look at is a share between gold and diamond and if you look at our presentation you will find that during the pandemic or the earlier month and even during the Q2 the share of gold has been relatively higher than that of the diamond, I mean relatively higher from what the usual share is. So, coming to the festive occasion diamond have sold very well, gold obviously sell extremely well in any kind of a festive occasion I think we are back to about 75-25 or 76-24, 76 being gold and 24 being diamond. Earlier it was a little more skew towards gold it was at about 79-21.

**Mihir Desai:** Sir lastly like as we are noticing that there is a revenge buying in certain sectors like textiles or something of that sort, so do we see such kind of revenge buying or jewellery too are we noticing that?

**Saurav Banerjee:** I will not call it revenge buying as such because that is a very odd term to use for any industry I think, but we have clearly seen is that yes whatever pent up demand which has been there and the requirements that the customer could not sort of fulfill in terms of their budget, in terms of whatever purchases they wanted to make, lots of weddings got postponed or got cancelled and they are being rescheduled all that is happening, the festive occasions were there, but nobody could celebrate because of obvious reasons. So, I think from that point of view very clearly, we can see some kind of an upswing very strong upswing I would say in terms of walk-in, in terms of new customers, in terms of old customers who were dormant who are coming back and the kind of conversations that are happening from walk-in. So, yes very clearly that demand I would rather use the word demand is very much there and I think it will continue throughout this financial year. I do not know whether you call it revenge or something, but the demand is definitely there and it is being cater to.

**Moderator:** Thank you. We have next question is from the line of Ravi Kumar he is an Investor. Please go ahead.

**Ravi Kumar:** I had two questions for you first one what is the company today debt may position and second what is the company future expansion plan for new stores?

**Saurav Banerjee:** So, the company's debt as on 30<sup>th</sup> September is 407 crores. It was 373 crores for March. There is a slight increase in the debt level 407 crores which has been necessitated because of the plans buildup of inventory that we normally do before a festive and wedding season begins. So, towards the month of September the inventory levels are sort of relooked at whatever levels are required to cater to the high demand which is mostly generated during the October to November, December this period that is why this inventory level has to be increased to that kind of levels and for that some kind of debt have gone up, but what will happen is that once the revenues are generated and sales and collections happens then in all probabilities the debt levels will again start coming down to the earlier levels or close to the earlier levels. So, that is the first question which you had. The second question you are saying in terms of expansion we are already working on an expansion plans, we are looking at scenario where we can open a combination of own stores as well as franchise stores in some of the cities which we have identified, the list is ready in fact we would have expanded earlier also, but you will appreciate in last one and half or maybe two years or one and half years for sure there was absolutely no opportunity to expand and probably not the right time. Now that things are improved and there is a more confident footing. We are looking at somewhere maybe in the fourth quarter or probably next financial year beginning of next financial year where we shall look at or we shall take the path of expansion. The stores will be of various sizes depending on the market and on the demand, which is there in those markets, but it may be a combination of even

smaller stores, medium size stores which the company will operate as well as we shall looking at franchise partners to operate some of the stores.

**Ravi Kumar:** My next question is last 45 days their second quarter will be start how the last 45 days of third quarter in performance of festival season sir?

**Saurav Banerjee:** You are asking last the 45 days which has gone up.

**Ravi Kumar:** The festival of Dhanteras and Diwali?

**Saurav Banerjee:** Yes sure. So, we have witnessed is that complete different kind of scenario from what it was couple of months back or three, four months back. Customers have been coming back in absolute hoards I would say there has been a huge kind of demand which has been generated Dussehra, Dhanteras and the entire stretch the period between Dussehra or Durga puja up to Dhanteras and Diwali. We have seen the revenue generation very similar to what it was in 1920. So, that should give you an indication that the numbers are almost equal or close to what it was financial year 1920 when fortunately, there was no COVID or nobody really knew about COVID. So, we have seen those kind of numbers coming back and which is very encouraging for us. So, the growth has been quite phenomenon and very different from what it was as I said in the past few months or even last year.

**Moderator:** Thank you. We have next question from the line of Abhishek Jain from Arihant Capital. Please go ahead.

**Abhishek Jain:** Just a small thing 2,000 crore which we earn to aspire any timeline for the same sir?

**Saurav Banerjee:** As I said that one is there are two ways of doing this. One is the same store sales growth which is clearly happening now. We are talking about the Q2 and H1 numbers right now why I am saying this is not because of the number, but we are looking at a timeframe where we have to wait and see where we reach by the end of this financial year. We have a fairly good idea of where we are going to reach which is what will demonstrate the sales to sales growth. After that there will be two tracks one is the expansion which is like actual opening of stores which I just now said that we are sort of looking at finalization of our plants in terms of what we want to do, where we want to open the stores, which city, which state, which location once those plans are in place then the actual activity of implementation of store expansion will begin. So, that will happen may be in the end of Q4 or Q1 of next year and when we have at least one year run you will have to give us a one year run where a new store opens a minimum of one year run is required to even ascertain where we are heading in terms of those new stores to get them to be stable or sort of breakeven that kind of scenario. So, that is why I am saying that looking at all these things we can look at probably 2023 end and somewhere there we should be able to look at the numbers that I sort of suggested to you.

**Moderator:** Thank you. We have next question from the line of Pranav Tendulkar from Rare Enterprises. Please go ahead.

**Pranav Tendulkar:** I just have one strategic question so first of all why not have a plan of taking the exiting store ROC above 15 because that is the model that will be replicated in new stores and obviously it will also become very, very easy for us or without taking that expansion and our ROC remains in single digits and our growth goes up then it will be very risky situation that you would not have much freedom to innovate our experiment, so why not first half ROC which clearly communicated so that we can have a risk averse, but great quality of growth?

**Saurav Banerjee:** Totally agree with you and in fact while I would not have really spoken about the nitty-gritty, but that is completely a part of our strategic planning which is happening. So, sure assured that we are looking into that, and we obviously want the existing stores to give us those kinds of returns that you are talking about that is given. Since the questions were around what kind of expansion plans do you have. So, I was sort of explaining that, but completely agree and I am with you on this, and you will see that we will be able to demonstrate that at some point of time and not too far away I would say.

**Pranav Tendulkar:** So, any aspirational ROC that you have in mind?

**Saurav Banerjee:** I will not say 15% or 14% I would rather say that let us drop the double-digit numbers first and then we look at from where we hit upwards from there on.

**Moderator:** Thank you. Ladies and gentlemen that was the last question. I would now like to hand over the conference to Ms. Pushpa Mani for closing comments. Over to you, ma'am.

**Pushpa Mani:** Thank you everyone for joining us for call today. In case you have any further questions, you can get back to us or coordinates provided in the investor presentation.

**Moderator:** Thank you to the members of the management. Ladies and gentlemen on behalf of Tribhovandas Bhimji Zaveri Limited that concludes this conference. Thank you for joining with us and you may now disconnect your lines.