# BHATIA COMMUNICATIONS & RETAIL (INDIA) LIMITED

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CIN: L32109GJ2008PLC053336

Regd Off: 132, Dr. Ambedkar Shopping Centre, Ring Road, Surat-395002
Email: info@bhatiamobile.com, Ph: 0261-2349892
Website : www.bhatiamobile.com

Date: 24/01/2020

To
**BSE Limited**
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

**Script ID/ Code : <u>BHATIA/540956</u>**

**Subject:** Disclosure of information pursuant to Regulations 30 read with Part A of Schedule III, of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

In compliance with Regulation 30 read with Part A of Schedule III, of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Kindly find enclosed herewith a copy of Half Yearly Financial Results presentation with respect to the H1 2020 Unaudited Half Yearly Financial results for the year ended 30th September, 2019 of the Company.

Kindly take the above information on record and oblige.

Thanking you.
Yours Faithfully.
For and on behalf of
**Bhatia Communications & Retail (India) Limited**

**Sanjeev Harbanslal Bhatia**
Managing Director
DIN: 02063671

Place: Surat

# BHATIA COMMUNICATIONS & RETAIL (INDIA) LIMITED

**Half Year FY2020 Earnings Presentation**

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# Content



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# Key Financials: Profitability Highlights Half Year Ending FY20

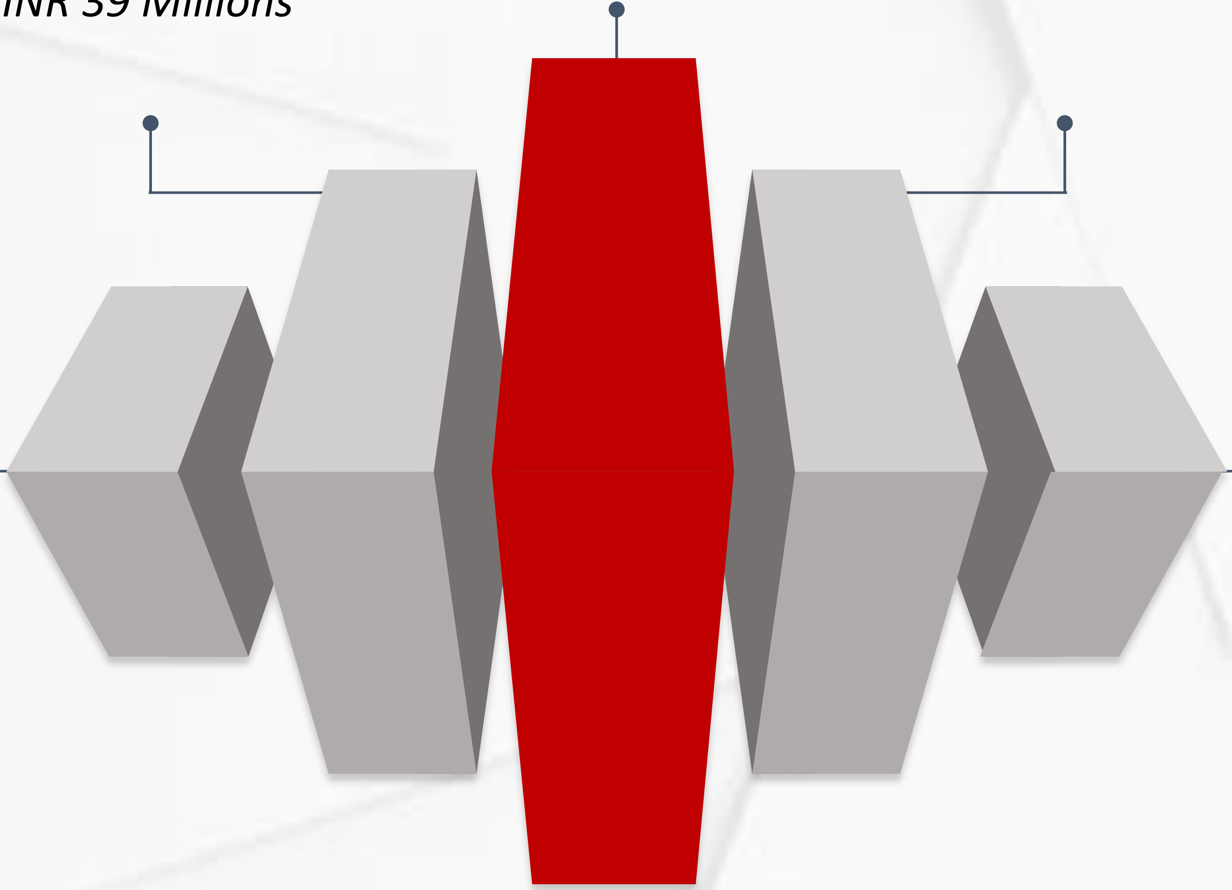
**TOTAL REVENUE**
*INR 920 Millions*
***4% Growth YoY***

**EBITDA**
*INR 39 Millions*

**PAT**
*INR 19 Millions*

**EBITDA MARGIN**
*4%*

**PAT MARGIN**
*2%*



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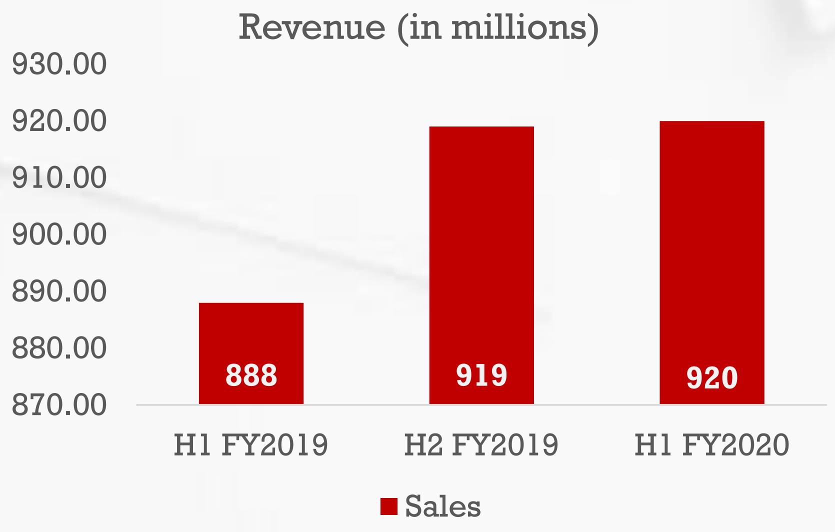
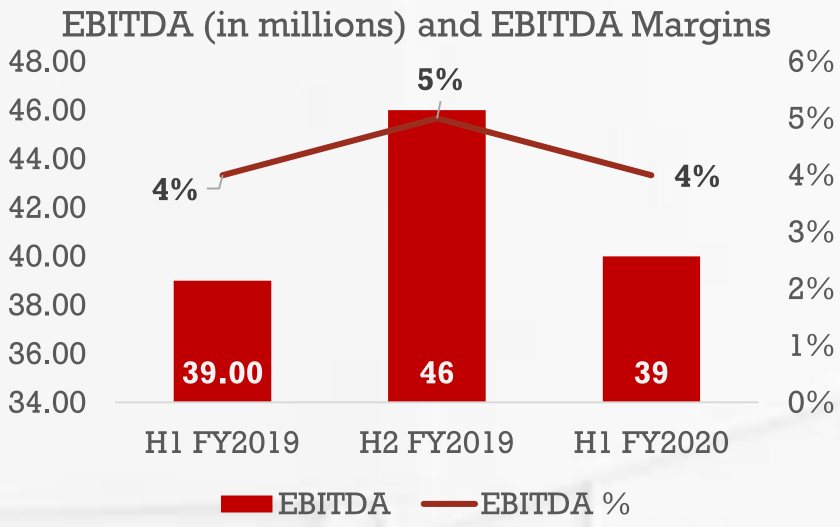
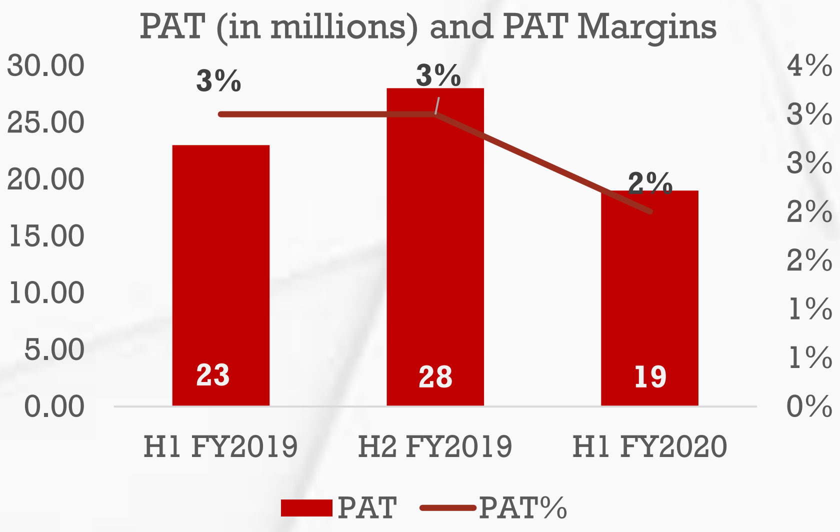
# Key Financials




**With the Multi-product Outlets, Revenue can be expected to grow at a higher rate.**

**Company targeting to improve owned Stores Sales would improve and stabilize margins.**

# **Key Financials:** Profitability Highlights Half Year Ending FY19

| 6 months ending (in millions) | H1 FY19 | H1 FY20 | YoY |
|---|---|---|---|
| **TOTAL REVENUE** | **888** | **920** | ***4%*** |
| Purchase of Stock-in-trade | 797 | 822 | |
| Employee Benefit Expenses | 17 | 19 | |
| Other Expenditure | 35 | 40 | |
| **EBITDA** | **39** | **39** | |
| ***EBITDA Margin*** | ***4%*** | ***4%*** | |
| Depreciation | 4 | 6 | |
| Interest | 2 | 7 | |
| Exceptional Items | - | - | |
| PBT | 32 | 27 | |
| Tax Expenses | 9 | 8 | |
| **PAT** | 23 | 19 | |
| ***PAT Margin*** | 3% | 2% | |

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# **Key Financials:** Balance Sheet Highlights – H1 FY20

| (INR in millions) | Sep-18 | Mar-19 | Sep-19 |
|---|---|---|---|
| **Shareholders' Funds** | **305** | **333** | **352** |
| Share Capital | 63 | 125 | 125 |
| Reserves & Surplus | 243 | 208 | 227 |
| | | | |
| **Non-current liabilities** | **12** | **19** | **24** |
| Long Term Borrowings | 10 | 10 | 12 |
| Deferred Tax Liabilities (Net) | 0.5 | 1 | - |
| Long-Term Provisions | 2 | 2 | 2 |
| Other long-term liabilities | - | 6 | 10 |
| | | | |
| **Current Liabilities** | **138** | **169** | **284** |
| Borrowings | 2 | 43 | 124 |
| Trade Payables | 127 | 102 | 149 |
| Other Current Liabilities | 2 | 4 | 2 |
| Short-term provisions | 9 | 20 | 9 |
| | | | |
| **Total Equities & Liabilities** | **455** | **521** | **660** |

| (INR in millions) | Sep-18 | Mar-19 | Sep-19 |
|---|---|---|---|
| **Non-current assets** | **86** | **99** | **98** |
| Tangible Assets | 59 | 71 | 68 |
| CWIP | 0 | 0 | 0 |
| Intangible Assets | 3 | 3 | 3 |
| Non Current Investments | 0 | 0 | 0 |
| Deferred Tax Assets (Net) | 0 | 0 | 0 |
| Long-term Loans & Advances | 25 | 26 | 27 |
| Other Non-Current Assets | 0 | 0 | 0 |
| | | | |
| **Current Assets** | **369** | **422** | **562** |
| Inventories | 197 | 164 | 240 |
| Investments | | | |
| Trade receivables | 42 | 55 | 73 |
| Cash & Cash Equivalents | 101 | 163 | 178 |
| Short-term loans & Advances | 29 | 41 | 71 |
| Other Current Assets | 0 | 0 | 0 |
| | | | |
| **Total Assets** | **455** | **521** | **660** |

# COMPANY AT A GLANCE

## Business

Business of trading Mobile Phones & Accessories, Tablets, LED TVs, Air Conditioners, Washing Machines and other Electronic Equipments.

## Team

- 1000+ Expert Advisors.
- The Management has more than 19 years of working experience.

## Three Dimensional Focus

Company focuses to improve Topline and profitability by diversifying into different Electronic Items through its Multi- Product Outlets.

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# COMPANY AT A GLANCE: PRODUCTS

- Mobile Phones; Tablets and Accessories
- TVs (Smart, LEDs and LCDs)
- Air Conditioners and Air Coolers
- Microwaves; Washing Machines and other Home Appliances

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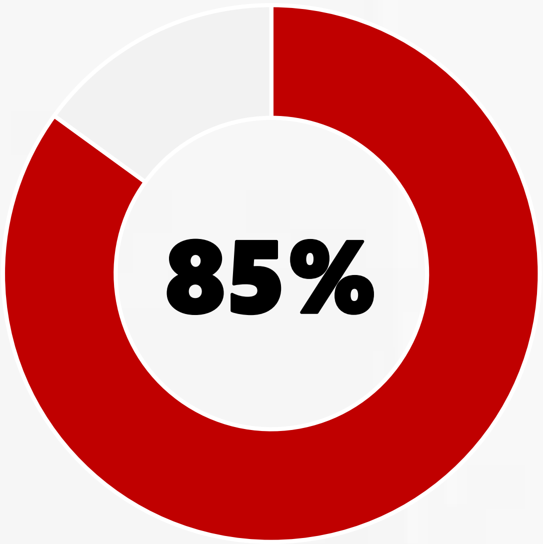
# REVENUE BREAKUP

The company plans to grow its top line by increasing Sales through its owned Outlets.




**OWNED OUTLET (85%)**

**FRANCHISEE (15%)**

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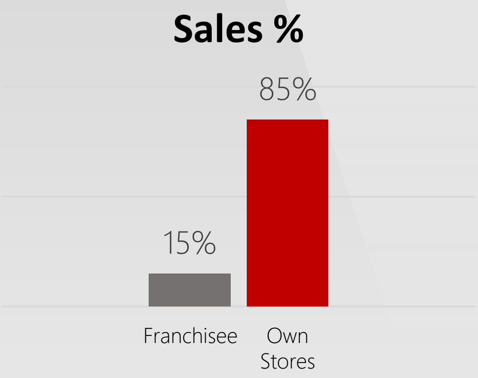
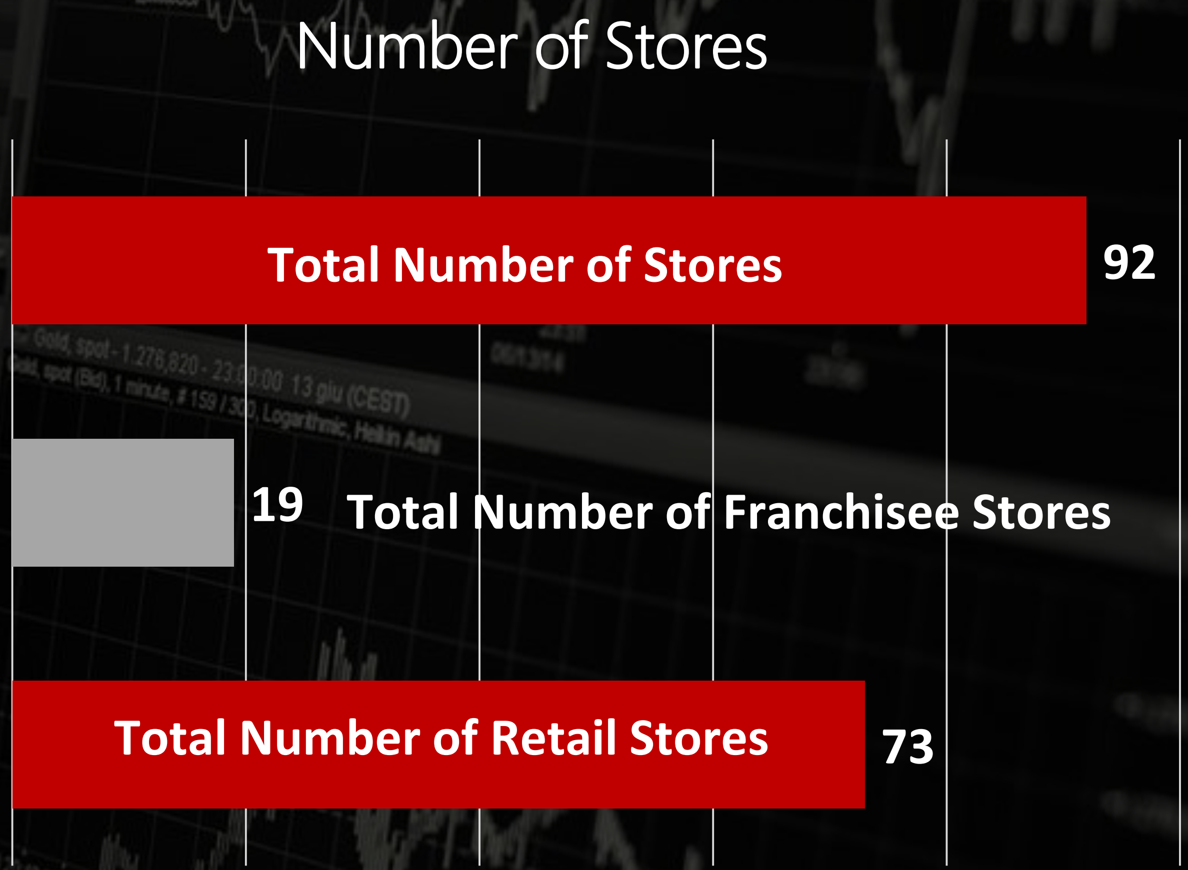



**Multi- Product Stores**

10 Stores

**OnlyMobile Stores**

2 Stores

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# COMPANY AT A GLANCE: MANAGEMENT

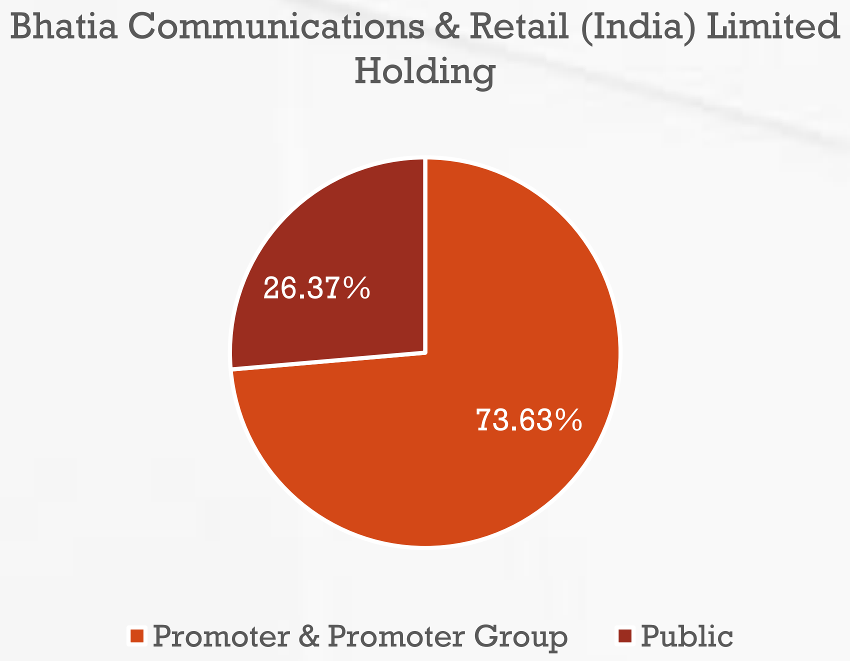
## Sanjeev Bhatia
(Managing Director)

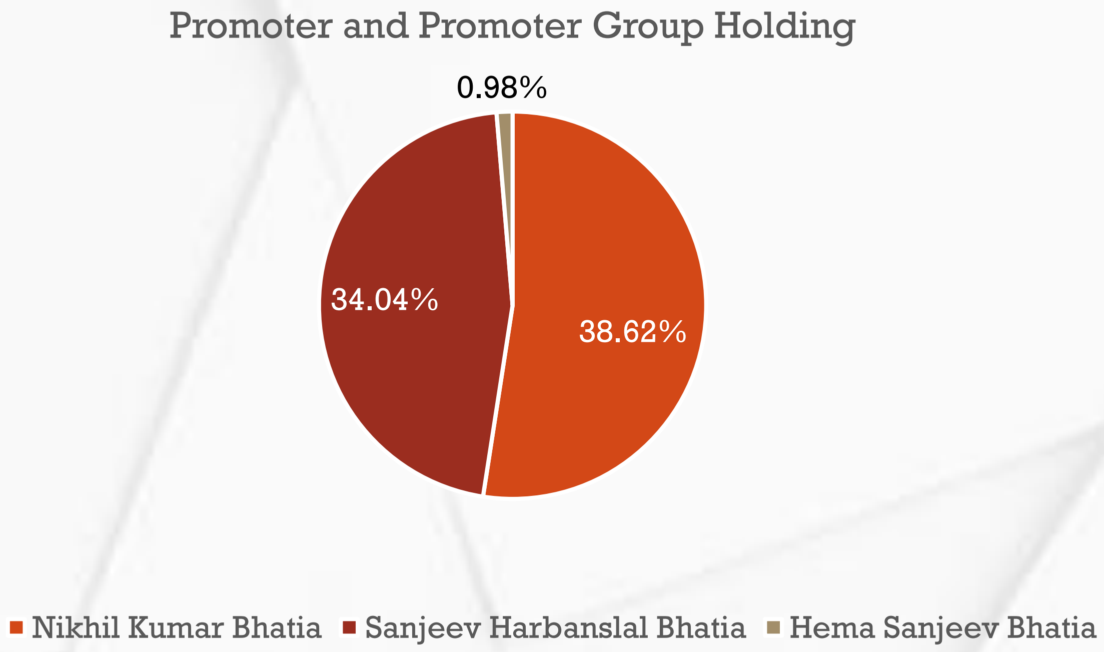
Sanjeev Bhatia, aged 41 years, is having vast experience of 19 years of retail and wholesale business of consumable  electronic goods and looks after Finance, Franchise Outlet and General Administration functions. He plays a vital role in motivating employees so that they come forward with their ideas.

## Nikhil Bhatia
(Whole Time Director)

Nikhil Bhatia, aged 37 years, have vast experience of 13 years in the Field of Finance and Sales and look after Sales, Purchase, Finance and Accounts Department of the Company. He is proficient in business development and regularly explores the market for expansion.

# COMPANY AT A GLANCE: SHAREHOLDING PATTERN

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# PAN GUJARAT PRESENCE

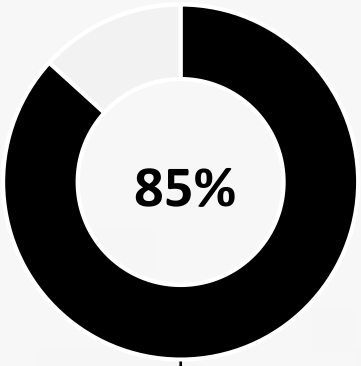
**92 Stores**

The company has presence all over South – Gujarat, with its maximum branches in Surat, followed by adjoining towns and cities like Vapi, Valsad, and Navsari.

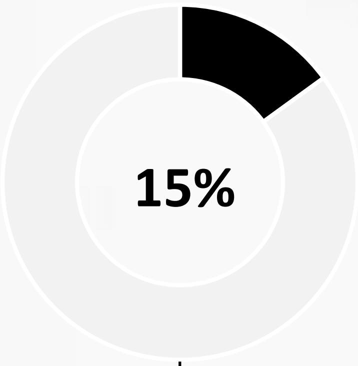
- The Management is determinant to increase Bhatia Communications & Retail's presence all over Gujarat within the next 3-5 years.
- To achieve Pan Gujarat presence, the company uses various platforms like Social Media, Radio Ads, Print Media for Advertisement and Marketing.
- Provides credit/EMI facilities to customers for buying products, tied up with major leading credit houses like Bajaj Finserv, Capital First and other Banking Channel Partners.

***From South Gujarat to Pan Gujarat Presence***

# Monthly Sales



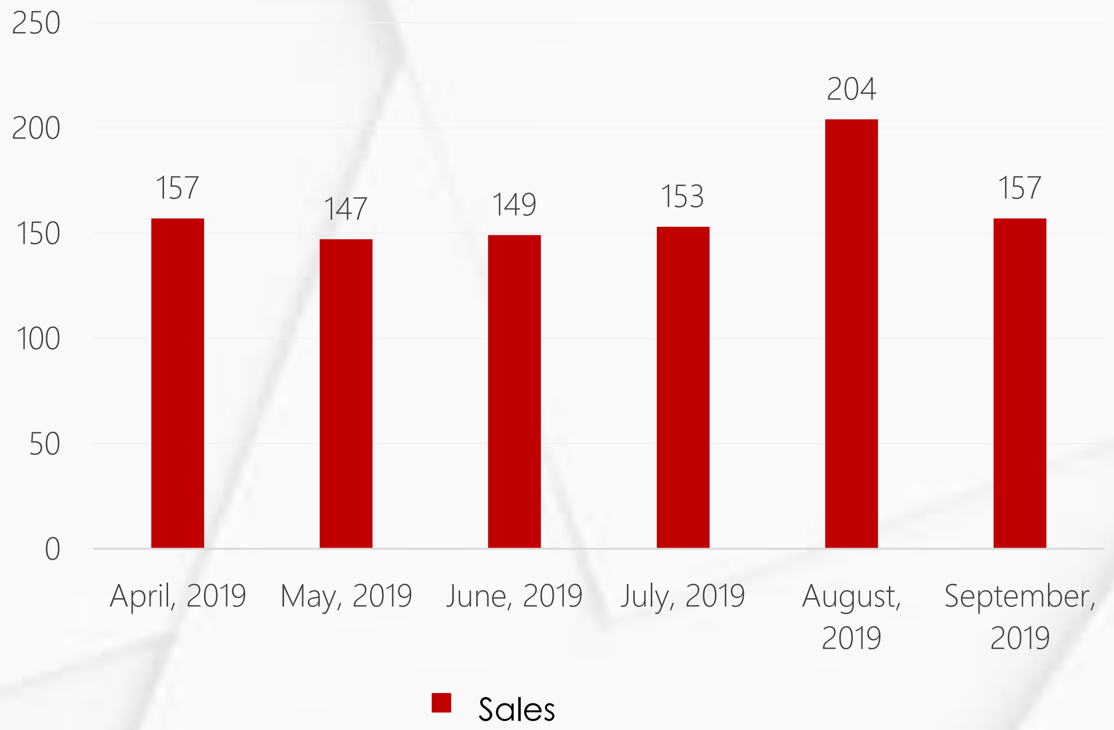

**Percentage of Sales through Own Retail Outlets**




**Percentage of Sales through Franchise Outlets**

***1st Half Year Monthly Sales FY2020 – In Millions***

***These Monthly Sales figure includes <u>Sales to Customers through Retail Outlets, Sales to Franchisee Outlets, and Inter Store Sales.</u>***




*** Sales amount (without) net of returns; after GST*

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# Sector Overview

# Smart Phone Penetration

• • •

India stands way behind in Smart Phone Penetration compared to its Developed Countries Counterpart.

| Countries | Penetration | |
|---|---|---|
| United Kingdom | 82.2% | |
| United States | 77.0% | |
| Malaysia | 57.5% | |
| Japan | 55.3% | |
| Brazil | 41.3% | |
| India | 27.7% | Potential for huge market size. |

*2018 Data*

### Disposable Income

With the continuous rise in the Disposable Income and accessibility to Credit, an increase in Smart Phone Penetration is expected in the years to come.

### Expected Penetration

The Penetration is expected to cross 35% in the next 3 years.

### Market Size

India provides a huge market size for Smartphones, with number of users increasing, especially in Tier- II and Tier – III cities.

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# TELEVISION PENETRATION

## 66%

### Penetration

Number of Individuals with access to Television has crossed 835 million, more than the population of Europe.

Moreover, TV is extremely affordable, with basic cable connections available at affordable prices.

## Indians, not yet ready to give up their Television Sets

At a time when Online Streaming Platforms are battling it out for mindshare in India's urban homes, good old television viewership continues to grow, especially in the countryside.

Anyway, an increasing usage of Online streaming would increase the demand for Smart TVs, so the company sees no significant threat from there.

## 7.5%

### Growth in TV owning Households

In 2018, the country witnessed a 7.5% increase in the number of TV-owning households as compared to 2016.

Moreover, this growth has been led by the Rural India, as 10% of the growth came from there.

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# ACE (APPLIANCES AND CONUSMER ELECTRONICS) INDUSTRY

APPLIANCES AND CONSUMER ELECTRONICS INDUSTRY EXPECTED TO DOUBLE TO RS. 1.48 LAKH CRORES BY FY2025.

Source: Economics Times

The market is expected to see acceleration in growth on account of:

- Surging rural consumption
- Reducing replacement cycles
- Increasing penetration of retail
- Wide choice of brands
- Products at various price points.

Source: Economics Times

**7,000 crores**

Domestic Investment in past few years has risen to 7,000 crores.

**11.7% ↑**

Expected CAGR (next 5 year)

Source: Economics Times

**54%**

Domestic value addition for "ACE (appliances and consumer electronics) products under scope stands at 34 per cent in FY19 and is likely to grow to 54 per cent by FY25.

Source: Economics Times

# THANK YOU…

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