



“V2 Retail Limited Q4 FY19 Earnings Conference Call”

May 13, 2019



MANAGEMENT: **MR. R. C. AGARWAL – CHAIRMAN AND MANAGING DIRECTOR, V2 RETAIL LIMITED**
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MODERATOR: **MR. ABHIJEET KUNDU – ANTIQUE STOCK BROKING LTD.**



V2 Retail Limited
May 13, 2019

Moderator: Ladies and Gentlemen, good day and welcome to V2 Retail Q4 FY19 Earnings Conference Call hosted by Antique Stock Broking. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Abhijeet Kundu. Thank you and over to you, sir.

Abhijeet Kundu: Hi all. Welcome to the call of V2 Retail. Today we have with us the top management of V2 Retail that is Mr. R. C. Agarwal – Chairman & Managing Director and Mr. Vipin Kaushik – the CFO. Without further wasting any time I would hand over the call to the top management of V2 Retail.

R. C. Agarwal: Actually, we should start the question and answer session and we are open to take any questions.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Ramprakash Srinivasan an Individual Investor. Please go ahead.

Ramprakash Srinivasan: I am looking at the results and one question I have in my mind is at the margins are always poor in the January quarter and I also see that depreciation this year has kind of double almost around 75% more than the previous quarter, what is the reason for both of these and how do we propose to change this?

R. C. Agarwal: Can you repeat the question I did not get it is regarding the EBITDA margin or overall margin?

Ramprakash Srinivasan: I am looking at only the operating margin, the operating margin are around 2.5 or 2.6 approximately and I see that every March quarter the operating margins are very low almost if you remove the other income it is almost bringing on losses that is the first thing, the second question is the depreciation has increased compare to last March and what is the depreciation how fast do you think you will depreciate fixed assets for a period of what time?

R. C. Agarwal: Our margin is like this that in quarter three we buy of winter and January, February, March if it remains in winter, we do the discount there so a lot of strain margin in fourth quarter. If you see in winter, Puja and Diwali sale in that the margin is very good. If you see the 18-19 the Quarter 3 margins are very good and in Quarter 4 because we sell the winter product at discounted price that is why there is a pressure of margin. And the second question is about the depreciation, we do the depreciation straight forward around 7 years every fixed asset get depreciated.

Moderator: The next question is from the line of Danish Jain from Assie Capital. Please go ahead.

- Danish Jain:** I have three questions, my first question as per the company presentation our company sales per square feet per month has come down to level of Rs.792 in FY19 if you compare with FY18 on an average 400 around?
- R. C. Agarwal:** Sales per square feet the projection is like this is that our sales has been historically very good, but because of intensity of competition there is a sales pressure overall on retail industry because people has got lots of money last year and whosoever has got the money and new entrant has come they all are facing the competition heat. So, I think this year the intensity will be less year and in the next year it will be very less so for this reason of competitive intensity and we have been lacking also so that is why sales per square feet is less than close competitor. Our close competitor is 750, 800 per square feet who is doing very well and we also have 750, 800 square feet and our cost is Rs. 165 square feet who is our close competitors. The biggest difference in EBITDA margin pressure is of this that last year cost is per square feet Rs. 200 square feet average for full year that we have brought it down and we have brought it down to Rs. 165. If our sales will remain the same and Rs. 35 cost square feet our cost has reduced then if there is a sell also, it is around 4% EBITDA margin it will increase because of less cost.
- Danish Jain:** I want to want on the same point on this competition side sir in the coming the Reliance retail is coming out to be existing number of stores up to 300 cities in next 4 to 5 years so how do you see this competition is again going further on this basis?
- R. C. Agarwal:** We are catering to totally different segment and we are catering to lower middle class and our average ASP is only you can say government ASP Rs. 270 to Rs. 300 and I think the Reliance Trends or FBB or Max their average selling price is more than 500 and then the total segment is different and, in our segment, there is only Vishal Mega Mart and V-Mart two organized players are only there.
- Danish Jain:** My last question sir as per the company's Q3 Conference Call the company mentioned to project around 100 stores by March 19, but at present company is having operating store around 77 level by FY19 level, so how company is going to the company is going to extent this 100 stores target by FY20 or will be beyond?
- R. C. Agarwal:** This year we would be opening somewhere around 25 to 30 stores and total area will be somewhere around 11.5 to 1.2 million square feet then we would be adding somewhere around 0.3 million square feet this year also. As we have increased our area from 5.5 to 9 lakh square feet last year.
- Danish Jain:** My last question will be on this the company has mention that in FY19 the company has incurred external expense of on basis of CDR of around 26 crores, so this is a onetime expense or company is going to incur again?
- R. C. Agarwal:** This was onetime expense as we were committed in CDR and now we had paid all the bankers and our all the securities and shares are free.

- Moderator:** The next question is from the line of Varshit Shah from Emkay Global. Please go ahead.
- Varshit Shah:** One thing on the overall industry pressure, so I think this industry pressure I think in the middle of the year around Diwali and all I think it was higher due to think that now more sense is prevailing now in the market then vis-à-vis it was 6 month ago?
- R. C. Agarwal:** As you know last year private equity has given money to 5, 6 big company and from that money they have opened the shop here and there. So, I think in my view how many players are there most of them are now facing lot of problem because they have done a massive growth and they are not successful in bringing system and process. I think slowly and gradually this pressure is reducing and it happens in every industry who is the fittest they proceed further. So, I think that we are doing good and now also and from the industry parameter our sale is good. So, I think the intensity of competition will be less in future.
- Varshit Shah:** Sir, and one more thing on the operational front, so overall our revenue per square for full year was Rs. 794 for new stores which has opened how much would that be last maybe in last one year which ever store would have opened, how much their approximate revenue per square feet?
- R. C. Agarwal:** Around 560 per square feet.
- Varshit Shah:** I think we have our delta for coming up right?
- R. C. Agarwal:** Absolutely. As the way the stores will get matured which I think it will take around 6 to 12 months. So, I think their sale would be Rs. 800 or Rs. 900 per square feet.
- Varshit Shah:** Apart from this store how much would be revenue per square?
- R. C. Agarwal:** It would be around Rs. 900, Rs. 950 square feet.
- Varshit Shah:** I mean for doing 550 to 800 is not a big deal?
- R. C. Agarwal:** Yes, it is not a big deal this will slowly get matured, we are understanding their local taste, data is coming so there will be a growth slowly and gradually.
- Varshit Shah:** One more thing I think we saw inventory is higher this quarter so in Q1 initiatives must be there of market campaigns so that they can liquidate the inventory or this will be there for till the next winter session?
- R. C. Agarwal:** At the end in first quarter you will see very less inventory and with two quarter you will see the inventory of less than 100 days.
- Moderator:** The next question is from the line of Niraj Mansingka from Goldman Sachs. Please go ahead.

Niraj Mansingka: The question is on the same store average realization if you will see of before two years it was around 100 crores revenue and at that time approximately for month it was around Rs. 850, so those stores which were there two years back how are they performing now and how much would their realization be?

R. C. Agarwal: This detail I will give you separately because store wise, year wise I do not have the data now. 1-year-old store how are they doing, 3 years old store how are they doing and 5 years old store how are they doing. So, this data I will give you later, but our average of old stores those store which has completed one year we pick up that same store so the same store for the whole year that is Rs. 950 square feet and new store is around Rs. 550 square feet so this is overall scenario. Slowly and gradually the new store which has opened and will get matured I think it will come around Rs. 800, Rs. 850, Rs. 900 square feet it will come.

Niraj Mansingka: For my understanding the store which was Rs, 1100 square feet for a month around two years back they are performing like that or they have also impacted in sale because of competition?

R. C. Agarwal: Like the same store degrowth is around 5% then it is pressure for everyone that is why same store there is a 5% degrowth, but only 5% degrowth is there.

Niraj Mansingka: Can you tell about the competition how others have an impact I mean store revenue?

R. C. Agarwal: For competition you just see it once the people are listed their declared result you will get and others you will get from MCA. According to me if we are doing average of around Rs. 750, Rs. 800 then they will do around Rs. 550, Rs. 600 square feet which is below breakeven point. So, to survive below breakeven point it is very difficult. So, I think that is why everybody's already 5 month, 6 month creditor payment is pending. So, slowly and gradually they have opened 100 store, 150 store, 50 store everybody now it is constantly getting closing so that intensity is slowly and gradually reducing. In the coming one or two year the way we will get matured the intensity will be much less because everybody is selling the cloth. Somebody is investing from their house; somebody is investing from private equity anyone they are surviving. So, when the intensity will get reduce in that way the remaining one will become a very big company.

Niraj Mansingka: And for product you will done lot of investment in the past by designing the product and planning for outsourcing so tell me something about the private label and outsourced, how it is and how the market acceptance was there for those products?

R. C. Agarwal: Whatever new thing we do the challenges comes in that. In our product also there is some challenge, but that is long term vision and it should do very well, in that some was sold very good and some product has not been sold so much. So, slowly and gradually that contribution should rise. In private level there are two types of definition one private level what we take from the vendor we will make them prepare by our own level and one private level what we will make in contract manufacturing. So, contract manufacturing contribution is now only 5%

and the remaining where we will prepare by vendor that contribution is rising slowly that has reached already around 20% that will rise much more in this year. And contract manufacturing we are doing the monitoring the way it will pick up, the contribution of that will grow.

Niraj Mansingka: Tell me about inventory the way inventory has growth for what reason it has grown and how?

R. C. Agarwal: For inventory there is three reason that inventory is more in this year. One reason is that what we have done the production, cloth inventory has also grown and cloth WIP that inventory has also increased one reason is that. Second reason is that we have opened the warehouse in Bangalore to cater the South store so because full truck load was not there so Bangalore inventory we could not utilized it properly now Bangalore warehouse we have closed for that reason the inventory has increased. Thirdly there is overbuying of winter for that reason winter inventory has stuck up. So, these three are in mind and in my view in this quarter also there should be a very good liquidation of inventory and next quarter you will see the inventory of below 100 days half yearly ending.

Niraj Mansingka: If your winter product has got stuck up so next winter it will be empty?

R. C. Agarwal: How much percent is there after that also it will be below 100 days inventory.

Niraj Mansingka: Last question we had planned that we will slow down in CAPEX, but you are saying that that you will add 25, 30 stores, so can you explain that?

R. C. Agarwal: This year cash flow we have made so almost Rs. 100 crores cash flow are coming out at the end of the year, we have open almost 3 lakh square feet which I think in my view it will start opening from third quarter.

Niraj Mansingka: Basically, if our cash flow went up and down store addition we will do up and down?

R. C. Agarwal: I think in my view cash flow we have picked very minimum and I have picked it around Rs. 750 square feet of cash flow.

Moderator: The next question is from the line of Rajiv Bharti from IndiaNivesh. Please go ahead.

Rajiv Bharti: My question is on the distribution center we will surpass 100 stores by the end of the year, so there should be distribution center you will be planning right and what is the CAPEX you want to do there and second question is in terms of is there a reclassification in the employee cost because that has gone down and your expenses line item has shot up despite rent being down for the year how can you clarify these?

R. C. Agarwal: I want to tell my investors that what it has come in control mechanism that the expenses which was last year Rs. 200 square feet that will be Rs. 165 this year average, so Rs. 35 square feet we have reduced the expenses that will Rs. 750 to Rs. 800 square feet also 4.5% it increased

EBITDA margin. So, we have hired so many costly people we thought we would expand that result is not very good that cost we have reduced and also lot of warehouse of Bangalore we have closed and we have reduced the rental. So, overall cost we have taken the control and for this year our project cost will be Rs. 165 square feet. In front end manpower in there also we have done the rationalization.

Rajiv Bharti: Sir in this quarter the employee cost which is low it is around 14 crores, but overall run rate for the nine months was close to 20 crores what has happened this time it is 14 crores in this quarter?

R. C. Agarwal: The people who have left they have been given the ESOP, but ESOP conversion should be done after three years. So, whosoever who has the booking of one year or who has completed one year their expenses was also booked then they left so ESOP one gets reversed of expenses now the whole expenses has lowered manpower cost.

Rajiv Bharti: For distribution center the CAPEX is there is there a vision?

R. C. Agarwal: Distribution center now I think that till we have not reached 15 lakh square feet till now what is our distribution center is there we have final this one that we will not open in South and East distribution center. What we have of North and East we will focus more on North and East and open the store. So, now this will run 1.5 million distribution centers.

Rajiv Bharti: So, you will do this in 21 then what is the number in the sense what will be your per square feet and what is the size you are looking for the quantum of the CAPEX?

R. C. Agarwal: It all depends how much square feet we will open, but now 1.5 million square feet we do not have to open any distribution center if we open than it should be an investment Rs. 200 square feet, everything else is head office, warehousing investment should be there.

Rajiv Bharti: Last question why there is a sudden spike I mean the other income has short up substantially this year for the full year versus last year, so 3.3 crores, 10 crores versus 10 crores is there this year, any particular reason here?

R. C. Agarwal: One refund of income tax has come and one CCD we have taken of TPG, that is there in other income and in mutual fund what we have deposited that has come in other income.

Moderator: The next question is from the line of Mayur Gathani from OHM Group. Please go ahead.

Mayur Gathani: Sir what was your cash flow for FY19?

R. C. Agarwal: You are talking about cash flow of FY19?

Mayur Gathani: Yes sir.

R. C. Agarwal: Yes we are very comfortable and we have paid our all the CDR obligation and now we are very much comfortable and we would be having surplus fund of 100 crores around for opening new stores in 1920.

Mayur Gathani: This year you are saying approximately 100 crores of free cash flow you can generate I mean cash flow you can generate and then you will do the CAPEX out of it only?

R. C. Agarwal: Yes, this will be done through EBITDA profit and our reduction of inventory.

Mayur Gathani: I mean what is the guidance on the EBITDA margin this year?

R. C. Agarwal: It will be somewhere around 8% to 9%.

Mayur Gathani: And 25 stores is the expansion plan?

R. C. Agarwal: Yes, that will be somewhere around 0.3 million square feet.

Moderator: The next question is from the line of Ankit Babel from Subhkam Ventures. Please go ahead.

Ankit Babel: Sir couple of questions the gross margins is last two quarters have been declining in this quarter also it is down by some 100-basis point, so what is the reason for the same?

R. C. Agarwal: Gross margin is very difficult to do the accurate estimate. If some product is sold slow then we have to sell in discount and as much fresh material sales that much gross margin increased. Our gross margin level is there before discount that is around 35%, 36% after tax. And if we do more discounting that comes around 28%, 29% if less discounting is there then it comes 31%, 32%. It is all depending upon that how your product got sold the new designs which you purchase.

Ankit Babel: So, any target sir what gross margins we are targeting?

R. C. Agarwal: Target we always say around 30% because right now what prediction I am saying that is all above 30% margin.

Ankit Babel: And sir what kind of sales per square feet you are targeting in FY20 on a weighted average basis considering that you open some 20, 25 stores and everything?

R. C. Agarwal: It will be somewhere around Rs. 750 per square feet for the whole year.

Ankit Babel: And sir since you plan to open another 25 to 30 stores in FY20 which means your cost would again increase due to this and at the same time sales in the new stores would be less, so again could there be pressure on margins because our expenses will grow and sales will not come what happen in FY19?

- R. C. Agarwal:** It all depends that how much manpower we grow in head office. What manpower we have now last time we have increased we have not got good response. So, by keeping in control of the manpower cost we will do the expansion and what our manpower cost and warehousing we have opened in Bangalore that also we will not do. Now we have opened more stores in North and East and from this warehousing we will do the catering and before front end cost Rs. 50, Rs. 55 square feet manpower that has already reached Rs. 39 square feet and we are somewhere targeting around Rs. 35 square feet.
- Ankit Babel:** Sir in absolute terms your employee cost was 75 crores in FY19, so what you are targeting in FY20 considering whatever expansion plans you have and whatever cost reduction you have already taken I mean quarterly it will be around 15 crores run rate or what could it be I mean absolute terms what you are targeting this 75 crores to go to?
- R. C. Agarwal:** We cannot say in absolute term, but we have improved our employee cost and in industry parameter it should be very reasonable that you can see in our next P&L account balance sheet.
- Ankit Babel:** So, these 15 crores, 20 crores run rate can it sustain on a quarterly basis?
- R. C. Agarwal:** To say this in gross it is not good. What we have planned now is around Rs. 65 square feet is our national plans on manpower cost.
- Moderator:** The next question is from the line of Varshit Shah from Emkay Global. Please go ahead.
- Varshit Shah:** For next year if you want to do 9% margin and new stores which we have to open 20 to 25 stores if they start coming Q3 then more or less the larger picture is that Rs. 550 per square feet what stores are there they have to do a lot of ramp up so that you get an SSG of say overall aggregate company level SSG of 7%, 8% then it should be around 8%, 9% EBITDA margin it will really happen, am I correct in this calculation?
- R. C. Agarwal:** Overall the scenario is this that our old stores Rs. 950 square feet it is doing and the stores which are new which has opened last year if they are doing Rs. 500, Rs. 550, Rs. 600 then how should we increase Rs. 100, Rs. 150 square feet this year that is our first target and if you increase that to Rs. 100 square feet than your average what I am predict Rs. 750, Rs. 800, Rs. 850 square feet will be there if it is of less of new stores. And new stores it will open around 3 lakh square feet which will reflect in second half.
- Varshit Shah:** So, this Rs. 550 how much store it will be there or what will be their area?
- R. C. Agarwal:** This what we have opened last year 3,50,000 square feet it is more or less not completed one year that is the main store which we have opened last year of 3, 50,000.
- Varshit Shah:** This means you are saying if you will increase the revenue by Rs. 150 square feet from 550 to 700 then also 9% EBITDA margin is possible.

- R. C. Agarwal:** It is absolutely possible because this 9% EBITDA margin is simple if we do your calculation if we have around Rs. 750 square feet and our costing is around Rs. 165 square feet then EBITDA margin more or less, it sits around 9% to 10% that which I am saying it conservative of around 8%.
- Moderator:** The next question is from the line of Niraj Mansingka from Goldman Sachs. Please go ahead.
- Niraj Mansingka:** If you are saying inventory gross margin as a function of how you dispose-off the inventory, if you are going to dispose-off the inventory then Q1 number there should be some impact because our gross margin would be lower right way to look at?
- R. C. Agarwal:** Yes, there should be some impact, but overall this should be beneficial for the company.
- Niraj Mansingka:** How much expenses were there that employee expenses that you have reversed for your ESOP for the quarter?
- R. C. Agarwal:** I will give the figure separately, but a big impact has come of manpower cost. We have rationalized frontend and in head office also manpower cost. Now in my view head office cost is 1.63 lakh only of 9 lakh square feet that should be minimum in industry.
- Moderator:** The next question is from the line of Sabyasachi Mukherjee from Centrum Broking. Please go ahead.
- Sabyasachi Mukherjee:** I am asking that you are planning to open around 25 to 30 stores this fiscal as in FY20 the cash generated last year FY19 around 100 crores you said, right?
- R. C. Agarwal:** No, I am talking about this year our cash flow is showing a surplus of 100 crores out of this we will be opening 3 lakh square feet area and the investment on this will be around 70 to 75 crores.
- Sabyasachi Mukherjee:** What was the cash generated from operations in FY19 if I may ask?
- R. C. Agarwal:** You are talking about how much cash generate in 18-19?
- Sabyasachi Mukherjee:** Yes.
- R. C. Agarwal:** Operationally whatever EBITDA was there that is the cash flow we have generated like 47 crores EBITDA we have done in 18-19 that was the cash flow generated and we had paid back our CRD obligation of 26 crores.
- Sabyasachi Mukherjee:** So, 47 crores around roughly EBITDA, but what was the working capital drag because I see the inventory numbers have worsened compared to FY18 and FY19, there must be some working capital drag?

- R. C. Agarwal:** That we have to see further you can take this question in next two, three days.
- Sabyasachi Mukherjee:** And regarding the store opening so you will be opening around 25 stores and the CAPEX would be around 75 crores you said?
- R. C. Agarwal:** Yes, including the inventory CAPEX also working capital also our CAPEX is only Rs. 1100 to Rs. 1200 per square feet rest we have to invest in some stock also.
- Sabyasachi Mukherjee:** So, stock would be around 1500 per square feet?
- R. C. Agarwal:** Around Rs. 1200 square feet.
- Sabyasachi Mukherjee:** Both put together around Rs. 2500.
- R. C. Agarwal:** That comes to Rs. 70 to Rs. 75 crores.
- Sabyasachi Mukherjee:** And what would be the average store size?
- R. C. Agarwal:** Around 10,000 square feet.
- Sabyasachi Mukherjee:** Do we intent to go into new territories?
- R. C. Agarwal:** This time we would be much more focused on the cities in which we are present right now like more and more stores opening in Patna or Guwahati or Varanasi or any town in which we are presently there.
- Sabyasachi Mukherjee:** What about North as in you had some stores in Jammu and Himachal if I am not wrong how are the stores performing there?
- R. C. Agarwal:** Jammu was not doing good and we would be closing that store in near future.
- Sabyasachi Mukherjee:** Any other stores you intend to close down?
- R. C. Agarwal:** No, we had closed one more store that is Bhangal store and maybe one more we would close in near future.
- Moderator:** The next question is from the line of Varshit Shat from Emkay Global. Please go ahead.
- Varshit Shah:** Sir if you could explain elaborate about the 100 crores operational cash flow which you mentioned earlier how that would come, I mean how much EBITDA or something like that broad working which you would have done?

- R. C. Agarwal:** Suppose if we do a sale of somewhere around 900 to 1000 crores and we do an EBITDA of 8% then it is 80 crores of EBITDA will be there and rest will come out from inventory minimization, inventory liquidation.
- Varshit Shah:** If I assume 950 crores of revenues and 8% of EBITDA margin that comes to 75 crores and you were saying another 25 crores you will extract from working capital in spite of expansion buildup of new higher inventory for new store roll outs?
- R. C. Agarwal:** Yes.
- Varshit Shah:** So, are you saying that net-net your inventory days would actually come down by almost 40-45 days from the current 100 days?
- R. C. Agarwal:** It will be, in the next two quarter I think our inventory days will be below 100.
- Varshit Shah:** So, these are the two main drivers right EBITDA and...
- R. C. Agarwal:** And the inventory liquidation.
- Moderator:** The next question is from the line of Rajiv Bharti from IndiaNivesh. Please go ahead.
- Rajiv Bharti:** Sir I want to ask about refurbishing usually three-year-old store you should be refurbishing every year, so is that understanding right and what is the refurbishment cost per square feet you incur?
- R. C. Agarwal:** Our refurbishment is not like that it will happen in one time. Continuously wherever problem we have to run or we have to repair the AC or we have to replace the AC compressor because we put the LED light then LED light company should be good then more or less, it has a good life, Lumax and all. Gandola there is no depreciation so there is not much repair, maintenance or refurbishment there is no cost and what happens every month there is a budget of repair and maintenance budget is there that comes under that.
- Rajiv Bharti:** Last year what was the spent?
- R. C. Agarwal:** What we are telling of Rs. 165 square feet in that repair and maintenance cost is inbuilt.
- Rajiv Bharti:** And lastly the footfall conversion what is the rate your number?
- R. C. Agarwal:** Now footfall conversion we are not calculating it properly now we are putting footfall counting machine everywhere so from that can get the correct footfall. Right now, footfall counting there is not a good system.

- Moderator:** The next question is from the line of Sandeep Karnawat, an Individual Investor. Please go ahead.
- Sandeep Karnawat:** So, there was an SAP software roll out plans for the V2 Retail, so is it turn or is it still in progress?
- R. C. Agarwal:** You are talking about e-commerce or what, what rule out you are talking about?
- Sandeep Karnawat:** SAP system.
- R. C. Agarwal:** It is going on. PwC has been implementing this and again they are giving us the time for 1st of July.
- Sandeep Karnawat:** And what will be the benefit out of this system?
- R. C. Agarwal:** All the reports will come out very easily that is the main benefit and the overall production system will be bit more efficient and fast.
- Sandeep Karnawat:** Will it also help you in inventory control?
- R. C. Agarwal:** We are testing RFID tax in one our stores and if that is done perfectly, I think that will make huge difference in inventory, inventory control and stockiest mechanism and we are doing some project on that.
- Moderator:** The next question is from the line of Prakash, an Individual Investor. Please go ahead.
- Prakash:** Earlier we were having a very good EBITDA margins of more than 9% close to 10% around, when would you see that being achieved, will it take another two or three years?
- R. C. Agarwal:** Let us see we can just plan and this year we are planning as I have told you earlier that this year if we achieve sales of Rs. 750 per square feet we can achieve an EBITDA margin of 9% to 10% this year only as our cost is minimal this year going forward.
- Prakash:** We have actually been waiting for long time to see a healthy EBITDA margin in all, but somehow due to competition and all its lagging, but it will definitely by happy turnaround if it happens in FY20?
- R. C. Agarwal:** Yes, we are fighting for that.
- Prakash:** Another thing Akash would be handling both of the roles of CEO as well as Director, what would be his additional responsibilities?



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R. C. Agarwal: Yes, he would be handling all the direct reportees like operation, finance and supply chain and everybody will be reporting to him and he will be reporting to me and Board.

Moderator: Thank you. Ladies and gentlemen, on behalf of Antique Stock Broking that concludes this conference. Thank you for joining us and you may now disconnect your lines.