Aditya Vision Limited

August 14, 2026

Facilities	Name of the Regulator[1]	Amount (₹ crore)	Ratings[2]	Rating Action
Long-term / Short-term bank facilities	RBI	75.00	CARE A+; Stable / CARE A1	Assigned
Long-term bank facilities	RBI	315.00	CARE A+; Stable	Assigned
Short-term bank facilities	RBI	110.00	CARE A1	Assigned

Details of facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Aditya Vision Limited (AVL) is supported by its growing scale of operations with healthy profitability from FY22-FY26 (FY refers to April 01 to March 31) backed by addition of new stores and healthy same store sales growth. Ratings also consider experienced promoter having a proven track record of over two decades in the Indian consumer electronics retail sector, established market position with expanding geographic footprint and satisfactory capital structure and debt protection metrics. CARE also takes comfort from the company's healthy liquidity position.

However, ratings remain constrained by its geographic concentration, competition from organised and unorganised players operating through online and offline mode, large working capital requirements and inventory obsolescence risk inherent in the consumer electronics retail sector. CARE Ratings Limited (CareEdge Ratings) takes note of significant equity dilution by the promoters in the last few years to reputed domestic and foreign mutual funds.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant increase in scale of operations, while maintaining stable profit before interest, lease rentals, depreciation and taxation (PBILDT) margins, aided by expansion in store count across new and existing markets.
- Improvement in debt coverage indicators with Net Debt/PBILDT going below 1x on a sustained basis.

Negative factors

- Elongation in inventory holding on a sustained basis leading to elongation in operating cycle period beyond 120 days on a sustained basis.
- Significant increase in borrowing leading to overall gearing ratio going above 1.20x and Net Debt/PBILDT going above 2.5x on a sustained basis.
- Significant dilution of promoter stake in the company.

Analytical approach: Standalone

Outlook: Stable

AVL is likely to benefit from its strong market position in Bihar, Uttar Pradesh and Jharkhand and established brand presence backed by nil store closure since inception. The company is expected to sustain its growing operations, satisfactory financial risk profile and strong liquidity position.

Detailed description of key rating drivers

Key strengths

Experienced promoter

AVL benefits from the extensive experience of its promoter, Yashovardhan Sinha, Chairman and Managing Director, who has played a key role in the company's growth and development since its inception. Under his leadership, the company has expanded

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

[2]Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

from a single retail outlet in Patna to a leading consumer electronics retail chain with a strong presence across Bihar, Jharkhand while steadily expanding into parts of Uttar Pradesh and neighbouring markets.

Promoter’s industry expertise, established relationships with leading brands and suppliers, and proven execution capabilities have supported AVL's sustained business growth, geographical expansion and strengthening of its market position in its key operating regions.

Established market position with expanding geographic footprint despite geographic concentration risk
AVL has significantly expanded its retail network, increasing its outlet count from 105 stores in FY23 to 207 stores in FY26, while its retail area grew from ~4 lakh sq ft to ~9 lakh sq ft in the same period. Notably, the company has not closed a single store since inception, reflecting its prudent site selection, disciplined execution strategy, and ability to sustain store-level profitability. The company's presence remains concentrated in Bihar, which accounts for ~57% of its store network and 76% of sale value as on March 31, 2026 (reducing from 81% and 93% respectively as on March 31, 2023), while it also established a meaningful presence in Uttar Pradesh and Jharkhand.

AVL recently entered Chhattisgarh and plans to expand into Madhya Pradesh and West Bengal, which is expected to diversify its geographical footprint and strengthen its presence in Central India in the medium term. Supported by its expanding store network and established regional franchise, the company is well positioned to enhance its market reach and scale of operations.

Growing scale of operations with healthy profitability
The company has demonstrated strong growth in its scale of operations, with total operating income (TOI) increasing to ~₹2,672 crore in FY26 from ₹899 crore in FY22, translating into a healthy compound annual growth rate (CAGR) of ~24%, driven by growth in sales volumes and expansion of its retail network. The same stores sales growth (SSSG) stood at ~15% in FY25 and 8% in FY26. The average transaction value also increased from ₹21,156 in FY23 to ₹22,088 in FY26.

The company has maintained healthy operating profitability, with PBILDT margin remaining largely range-bound between 8.50%-10% in the last few years. However, the margin moderated marginally and stood at 8.53% in FY26 compared to 9.21% in FY25, primarily considering subdued demand for higher-margin cooling products such as air conditioners, coolers and refrigerators due to an extended period of unseasonal rainfall and a weak summer season.

In Q1FY27, the company earned TOI of ~₹1193 crore against ₹940 crore in Q1FY26. The PBILDT margin also strengthened to 10.43% in Q1FY27 against 9.54% in Q1FY26 in the corresponding period, supported by improved sales of cooling products considering favourable summer conditions, and the impact of price hikes.

Going forward, the revenue is expected to grow backed by addition of new stores with profitability margins expected to remain at similar levels.

Satisfactory capital structure and debt protection metrics
The company’s capital structure has strengthened significantly over the years, as reflected by improvement in its overall gearing ratio to 0.83x as on March 31, 2026, from 3.58x as on March 31, 2022, primarily supported by sustained accretion of profits to reserves and a strengthening net worth base. The company issued equity share capital on preferential allotment basis amounting to ₹282 crore in FY24, which further contributed towards the strengthening of capital structure.

Debt coverage indicators have also improved considerably, with total debt to gross cash accruals (TD/GCA) improving to 3.66x as on March 31, 2026, from 6.01x as on March 31, 2022, driven by growth in cash accruals. Interest coverage ratio improved to 5.86x in FY26 from 3.28x in FY22. Going forward, with addition of new stores, lease liabilities and working capital borrowings are expected to increase, however, with accretion of profits to reserves, capital structure and debt protection metrics are expected to remain at similar levels.

Key weaknesses

Competition from organised and unorganised market
The consumer electronics retail industry remains highly competitive, characterised by presence of organised retail chains, e-commerce platforms, authorised distributors, and unorganised local retailers. Competitive landscape limits pricing flexibility and exerts pressure on profitability, considering the relatively high bargaining power of customers and the commoditised nature of products offered.
While AVL derives a significant portion of its revenue from Bihar, it has been steadily expanding its presence across other states. Such expansion exposes the company to risks associated with entering new markets, including competition from established

regional players, varying consumer preferences, and the need to establish brand visibility and scale in newer geographies. Competition from e-commerce platforms such as Flipkart and Amazon, which frequently offer products at discounted prices, remains a challenge.

Stock obsolescence risk
Electronic products have a short life cycle due to rapid technological advancements and changing preferences and trends. New and improved models are frequently introduced, leading to obsolescence of older models. Electronic retail chains need to maintain an optimum inventory level and anticipate demand by observing changing demand patterns. Therefore, retailers must remain alert to avoid backlogs while minimising inventory risk.

Large working capital requirement
The company has a large working capital requirement considering the large inventory to be maintained, for which the working capital borrowings have been increasing over the years. The inventory days of the company moderated and stood at 118 days in FY26 against 91 days in FY22. Creditors' period has reduced from 42 days in FY22 to 25 days in FY26. Accordingly, operating cycle stood at 93 days in FY26 against 49 days in FY22. Any major increase in inventory holding period going forward shall remain key rating monitorable.

Liquidity: Strong

The liquidity position of the company is strong, marked by a healthy free cash and bank balance of ~₹129 crore as on March 31, 2026. The company has earned a GCA of ~₹157 crore in FY26 and ₹89 crore in Q1FY27 against nil term debt repayment obligation. Going forward, the company is expected to generate sufficient cash accruals with no repayment obligation. The average monthly fund-based working capital limit utilisation stood at ~42% for 12 months period ended May 2026.

Environment, social, and governance (ESG) risks

AVL demonstrated a growing commitment to ESG principles in FY24-25 through its focus on community development, employee welfare, responsible business practices and strong governance standards. Through its CSR initiatives, the Company spent ₹1.87 crore on social development programs, primarily education, healthcare, sanitation, women empowerment, rural development and support for underprivileged communities, positively impacting regions in which it operates. The company expanded its retail footprint to 207 stores across Bihar, Uttar Pradesh, Jharkhand and Chhattisgarh as on March 31, 2026, while maintaining a stakeholder-centric approach built on trust and customer service. From a social perspective, Aditya Vision fostered an inclusive workplace with women accounting for ~33% of the Board and 40% of key management personnel, while also reporting zero workplace fatalities in the year. On the governance front, the company strengthened transparency and accountability through comprehensive disclosures under the Business Responsibility and Sustainability Report (BRSR) framework, reinforcing its commitment to ethical business conduct and long-term value creation for all stakeholders.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Retail
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer services	Retailing	Speciality retail

AVL is a Patna-based retailer of consumer electronics and home appliances engaged in the sale of televisions, smartphones, laptops, refrigerators, air conditioners, washing machines, and other consumer durable products through a multi-brand retail format. The company is promoted by Yashovardhan Sinha, Chairman and Managing Director, who has been instrumental in driving the company's growth and expansion strategy.

The company operates 207 stores across Bihar, Jharkhand, Uttar Pradesh, and Chhattisgarh as on March 31, 2026, reflecting its sustained focus on network expansion.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (Abr.)	Q1FY27 (UA)
Total operating income	2,259.78	2,671.62	1192.68
PBILDT*	208.08	227.90	124.48
Profit after tax (PAT)	105.50	116.92	77.22
Overall gearing (x)	0.82	0.83	NA
Interest coverage (x)	6.56	5.86	NA

A: Audited; Abr: Abridged: Provisional; UA: Unaudited; NA: Not Available Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:
A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	RBI	Simple	-		-	-	315.00	CARE A+; Stable
Fund-based - LT/ ST-Working Capital Demand loan	RBI	Simple	-		-	-	75.00	CARE A+; Stable / CARE A1
Fund-based - ST-Working Capital Demand loan	RBI	Simple	-		-	-	110.00	CARE A1

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Fund-based - LT-Cash Credit	LT	315.00	CARE A+; Stable				
2	Fund-based - LT/ ST-Working Capital Demand loan	LT/ST	75.00	CARE A+; Stable / CARE A1				
3	Fund-based - ST-Working Capital Demand loan	ST	110.00	CARE A1				

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: NA

Annexure-4: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Punit Singhania Director **CARE Ratings Limited** Phone: +91-33-4018 1620 E-mail: punit.singhania@careedge.in
Relationship Contact Ankur Sachdeva Senior Director **CARE Ratings Limited** Phone: +91-22-6754 3444 E-mail: Ankur.sachdeva@careedge.in	Kamal Mahipal Associate Director **CARE Ratings Limited** Phone: +91-33-4018 1628 E-mail: kamal.mahipal@careedge.in Rajat Tiwari Lead Analyst **CARE Ratings Limited** E-mail: rajat.tiwari@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

For detailed Rating Report and subscription information, please visit www.careratings.com