Date: **February 04, 2025**

BSE Limited,
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai - 400 001

Scrip Code: **544243**

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

Trading Symbol: **STYLEBAAZA**

Dear Sir/Madam,

Subject: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is further to our letter dated January 29, 2025, whereby the Company had submitted the link to the audio recording of the conference call with Investors/Analysts, held post announcement of Financial Results for the quarter and nine months ended December 31, 2024.

Pursuant to Regulation 30 read with Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, please find enclosed herewith the Transcript of the said conference call, for your information and records.

The transcript of the conference call is also available on the Company's website at:

https://stylebaazar.in/wp-content/uploads/2025/02/Q3FY25-BazaarStyle-text-transcript.pdf

We request you to kindly take the aforesaid information on record.

For Baazar Style Retail Limited

ABINASH SINGH

Digitally signed by ABINASH SINGH
Date: 2025.02.04 18:17:03 +05'30'

Abinash Singh
Chief Compliance Officer,
Company Secretary and
Head - Legal & Compliance

"Baazar Style Retail Limited

Q3 & 9MFY'25 Earnings Conference Call"

January 29, 2025

MANAGEMENT: **MR. SHREYANS SURANA – MANAGING DIRECTOR – BAAZAR STYLE RETAIL LIMITED**
MR. NITIN SINGHANIA – CHIEF FINANCIAL OFFICER – BAAZAR STYLE RETAIL LIMITED

MODERATOR: **MR. SUYASH SAMANT – STELLAR IR ADVISORS**

Moderator: Ladies and gentlemen, good day and welcome to Baazar Style Retail Limited Q3 and 9-months FY25 Earnings Conference Call. As a reminder, all participant lines will be in the Listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Suyash Samant from Stellar IR Advisors. Thank you and over to you, sir.

Suyash Samant: Good evening everyone and thank you for joining us today. I have with us today the senior management team of Baazar Style Retail Limited, Mr. Shreyans Surana, Managing Director, and Mr. Nitin Singhania, Chief Financial Officer, who will represent Baazar Style Retail Limited on the call. The management will be sharing operating and financial highlights for the quarter and 9 months ended December 31, 2024, followed by a question-and-answer session.

Please note this call may contain some of the forward-looking statements which are completely based upon the company beliefs, opinions, and expectations as of today. These statements are not a guarantee of the company's future performance and involve unforeseen risks and uncertainties. The company also undertakes no obligation to update any forward-looking statement to reflect developments that occur after a statement is made.

I now hand over the conference to Mr. Shreyans Surana. Thank you and over to you, sir.

Shreyans Surana: Good evening everyone. Welcome to our Q3 and 9-months FY25 earning calls. Our presentation has been uploaded on the exchange and the company's website and I hope you had a chance to go through it.

I am happy to report a revenue growth of 24% year-on-year to INR4,116 million in Q3 FY25 and 33% year-on-year to INR9,983 million in 9-months FY25. The SSG saw a growth of 10% in 9-months FY25, however, we have registered a degrowth of 3% in Q3 FY25. The reason behind this muted SSG growth in Q3 FY25 was that in the previous quarter, that was Q2 FY25, we saw a boost in growth due to a favorable festival demand, particularly driven by the earlier timing of Durga Puja this year, which was advanced by 11 days. This factor contributed to our Q2 performance.

As a result, Q3 FY25 appears subdued in comparison to the same period last year, which also had the benefit of festival-driven demand. As a significant portion of our L2L stores are located in the states of West Bengal, Assam and Tripura, where sales are heavily influenced by the Durga Puja season, the SSG in this region was impacted for Q3. However, for the 9-months period ended December 31, 2024, this state showed positive growth.

In contrast, our stores in other regions performed strongly with the positive SSG growth in both Q3 FY25 and 9-months period ended. It is important to note that the local festival can cause some fluctuations in performance on a quarterly basis, but we remain confident in our overall growth trajectory. Despite this short-term variation, our performance on a yearly basis is aligned with our guidance and strategic plans.

Coming to the financials, I want to start by talking about the quarter gone by. So, in Q3 FY25, we saw a healthy top-line growth of 24% year-on-year and 32% quarter-on-quarter to INR4,116 million. Our gross profit increased by 25% year-on-year and by 69% quarter-on-quarter to INR1,553 million. Our EBITDA was up 10% year-on-year and 242% quarter-on-quarter to INR833 million. And our reported profit after tax was at INR304 million.

Coming to the 9-month performance, we witnessed a robust growth of 33% in the top-line to INR9,983 million. Our gross profit grew by 34% year-on-year to INR3,381 million and EBITDA grew by 26% year-on-year to INR1,497 million. The profit after tax to date is INR211 million.

As you know, we report our performance in accordance with the Indian Accounting Standard due to regulatory requirements, however, pre Ind AS provides a clearer and more accurate representation of our expenses. We recommend assessing our financial performance on a 9-month basis or a trailing 12-month basis rather than a quarterly basis as our regional nature may cause volatility in quarterly results primarily due to the significant influence of festive timing.

We are currently in an accelerated growth phase with a strong focus on expanding our store footprint. As you know, we have opened 43 new stores in 9 months of this financial year. It's important to highlight that new stores take time to reach their full potential, which can impact our operating margins. In the first year, we typically expect new stores to generate around 5% operating margins, in the second year 8%-10% and by the third year it's 14%-16% at pre IND AS levels.

That said, our new stores have been performing better than expected at the operating level this year. However, at the entity levels, the corporate overheads have increased by 0.85% from last year majorly due to the capacity expansion of warehouse, office expansion and increased manpower in the field of procurement, supply chain, operation and technology considering the future growth. These costs are expected to be better absorbed as we scale and drive higher revenue going forward.

In addition, our portfolio of mature stores continues to grow. We anticipate stronger operating leverage, which should lead to improved margin expansion. Internally, we have set an absolute number target for EBITDA and I am pleased to report that we are on track to meet those goals as we move forward.

I would like to highlight, our pre IND AS financials, our EBITDA for 9 months FY25 stood at INR827 million up by 23% year-on-year. We are on track to close the financial year with an EBITDA of around INR950-INR980 million. We continue to remain a growth-oriented company while focusing on sustainable and healthy EBITDA growth.

Coming to the operational performance, in Q3 FY25, the total number of bills stood at INR4.26 million, taking the 9-months FY25 total to INR10.67 million, which is up by 39% year-on-year in 9-months FY25. In Q3 FY25, the total quantity sold stood at INR13.04 million, taking the total to INR35.29 million, up 36% year-on-year in 9-months FY25. In Q3 FY25, the same-store-sale growth stood at -3% and 10% in 9-month FY25 vs 5% in 9-month FY24.

In Q3 FY25, the ATV stood at INR1031 and INR998 in 9-months FY25. In Q3 FY25, sale per square feet stood at INR826 and INR737 per month, up 9% in 9-months FY25 year-on-year. Private label contribution was at 38% in Q3 FY25 vs 35% in Q3 FY24 and 44% in 9-months FY25 vs 37% in 9-months FY24. Our inventory per square feet has reduced by INR200 sq. ft from last year. The demand landscape remains strong and we are optimistic about upcoming quarters.

With the wedding season and the Eid approaching, we expect a strong performance in Q4 FY25. Our commitment to our growth strategy continues to deliver results with a net addition of 37 new stores in the first 9-months of FY25. We have opened 18 new stores and closed 3 stores during Q3 FY25. As of December 31, 2024, we operate a total of 199 stores with a total area of 17.89 lakhs sq. ft. With this expansion, we are on track to exceed our original guidance of 35 net stores addition for FY25.

We now expect to add between 45-50 stores by the end of this fiscal year, further strengthening our footprint and positioning us for continued growth. In the light of 33% year-on-year top-line growth reported for the first 9-months of FY25, we are revising our full-year guidance to 30% growth from 25% for FY25. As mentioned previously, consumers are increasingly moving towards organized channels. This trend is proving to be a key tailwind for our business as consumer preference continues to evolve with a stronger focus on brand consciousness at affordable pricing.

We aim to expand store count further through deeper penetration in core market and forming new clusters in focus market. We are confident that our strategy will continue to drive long-term value and we look forward to delivering strong results in the upcoming quarters.

With this, I request the moderator to open the call for questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from the line of Gaurav Jogani from JM Financial. Please go ahead.

Gaurav Jogani: Thank you for taking my question. My first question is with regards to the profitability performance on the pre Ind AS side, especially even for Q3. If we look at, despite the strong top-line growth on a Q3 basis, still we are not grown much on the profitability side, on PBT front also on a pre Ind AS. What would you allude this to? How will we overcome? Despite driving the top-line growth, that is not translating to the profitability growth.

Shreyans Surana: Thank you for the question. In that way, as I already mentioned, there was a preponement of 11 days of Durga Puja. Effectively, the first half became much stronger. The first 6 months performance against INR11 crores pre IND AS EBITDA, we registered an EBITDA of around INR26 crores. The major profitability of October shifted to September this year. That is the reason that Q3 numbers are subdued because of the shift of Puja by 11 days.

Gaurav Jogani: Even if we consider Q2, Q3 together, I mean Q2 I think we registered a PAT loss, if I am not wrong, on a pre IND AS basis. And Q3 also the profitability was down the PAT basis on a Y-o-Y basis. So even considering the Q2, Q3 performance together, don't you think the profitability could have been even better versus what we have seen right now?

Shreyans Surana: So at the store level, we are doing better in profitability. If you see at a 9-months, as I said, you have to see for the full 9 months. So at the store level, we are doing much better. So our performance has improved in the store level. Basically, the major reason is the increase in cost on the corporate overheads which has increased by around 0.85% as I mentioned during the commentary. And that is majorly because of the expansion that we are doing and because of that we are doubling the capacity at warehouse.

So last year the warehouse size was around 86,000 which we have doubled this year. We have increased our office space. We are increasing the manpower so that we can sustain the future growth. At the store level, last year it was 14.08% which is 14.22%. In spite of opening 46 stores which have also resulted in increase in expenses, still at the store level, pre IND AS EBITDA is higher than last year, by 15 basis points.

Gaurav Jogani: So Shreyans, if you can give us this metric, what would be your X of the corporate overheads? What would be your store level profitability on a company-wide basis?

Shreyans Surana: So for the first 9 months, it is around 14.23% against 14.08% last year, for the full 9 months, including new stores.

Gaurav Jogani: So if I consider the absolute profitability, I mean in that sense, and if you can give the absolute corporate overheads number, that would help us to better appreciate the cost increase? Because then what will happen is as you increase the store count etc. and hopefully these corporate overheads will not increase in the same phase and that could translate to better profitability.

Shreyans Surana: So, approximately around INR60 crores-INR65 crores has been the corporate overheads for the first 9 months, against which last year it was around INR40 crores-INR45 crores.

Gaurav Jogani: So there is approximately, INR15 crores-INR20 crores I would say incrementally because of the corporate overheads, right?

Shreyans Surana: Correct.

Gaurav Jogani: And Shreyans, the second question is with regards to the choice between growing aggressively in terms of store expansion versus profitability. What would you prefer in terms of the strategy? Would you still continue this aggressive store of expansion? Or would you focus now on stabilizing the existing stores, taking them ahead and focusing on profitability? What would be the choice as a strategy as a company you would like to follow?

Shreyans Surana: So I believe in this, today as we are growing, we are seeing a good amount of profitability that we are able to create at store level. So till the time we are able to create profitability at store level, I think we can go with the growth strategy that we have done. And as a company, we have a very balanced approach in terms of growth strategy.

We would like to grow ourselves between 25%-30% in terms of revenue with an L2L growth of around 8%-10%. I think which is a very balanced strategy and it's more sustainable and profitable from the organizational perspective.

Gaurav Jogani: Sure. And lastly, if you can help us, give us some balance sheet side numbers. I mean, if you can help us, what would be the working capital days or the inventory days right now at the end of Q3? And what would be the cash balance or the net debt levels that you would have?

Shreyans Surana: In terms of inventory, we have reduced our inventory by INR200 per square feet from last year. So we were at INR2300 per square feet inventory, 9-months FY24, which is around INR2100 per square feet as on 9-months FY25.

Gaurav Jogani: Sure. And the balance in terms of cash or net debt?

Nitin Singhania: So, net debt is INR100 crores -- bank borrowings is INR100 crores, and bill acceptance is INR16 crores, total debt in books is INR116 crores, and cash and bank balance is INR14.63 crores.

Gaurav Jogani: So, there is a gross net debt, I would say is around INR100 crores odd, right?

Nitin Singhania: Yes

Gaurav Jogani: Okay. But, you know, post the fund raise, we had paid off the debt largely. So, this incremental debt that you would allude to would largely be for store expansions or what would it be related to?

Shreyans Surana: So, it's a mix of everything because we have reduced the debt once we received the fund from IPO. So, merely the store expansion and along with that, the insurance payment that is still to be received. So, largely on that account also, this debt has been increased.

Gaurav Jogani: Okay. So, I'm assuming 43 stores and approximately INR2 crores per store including the working capital requirement that you would have, would mean INR85 crores-INR86 crores out of this number. But, given that your inventory has gone down, wouldn't that should help some release and therefore, the cash balance should have been better? Or we are just considering the 43 odd stores but there is also some capex that has gone towards the future stores plus the warehouse expense also?

Shreyans Surana: Yes. So, basically, there has been a capex involved in the warehouse also. And as you rightly said, there are a lot of stores which are in line-up in this quarter also. So, mix of both. Majorly on account of the payment, as I said, the insurance payment is still about to -- we have not received as of now. So, that has also created a little bit of higher bank limit utilization.

Gaurav Jogani: Okay, Shreyans. Thank you and that's all for now.

Moderator: Thank you. Next question is from the line of Devesh Advani from Reliance General Insurance. Please proceed.

Devesh Advani: Sir, there is a degrowth in SSG in this quarter of 3%. So, what has led to that degrowth and one more thing is that there is a PAT decline. So, as far as I can see, there is an other income which has declined. So, what is there in other income? What are the contents there in other income that has declined?

Shreyans Surana: So, in terms of SSG, as I said, because we are highly considering Assam and Bengal, it has led to a -3% dip. If I have to break West Bengal, Assam, Tripura and other rest of the states, so rest of the states saw healthy SSG growth of around 7.25% for this quarter. So, it was majorly on the account of West Bengal, Assam, Tripura that the SSG was at dip. On the yield, for the full 9 months if you see, so Bengal, Assam, Tripura stood at 10.72% in terms of SSG and rest of states stood at 9.83% for the 9 months. So, put together, it's 10.4%.

Devesh Advani: And as far as profitability is concerned, what has led to decline in other income?

Nitin Singhania: So, if you see other income, last year in the December quarter, we have purchased 3 stores. So, approximately INR5 crores was the profit on modification of lease because of the ROU reversal as per IND AS 116. So, that has led to a decline in the other income this year.

Shreyans Surana: That is why we are saying that the pre IND AS numbers represent better expenses and numbers in terms of understanding the retail.

Devesh Advani: So, sir, what is the guidance as far as profits are concerned that you will maintain going further?

Shreyans Surana: So, if you see, we have already reached INR84 crores of EBITDA including other income and for this year, I think in terms of pre IND AS EBITDA, we would be at around INR95 crores to INR98 crores, as I have already mentioned. And on the guidance on the EBITDA margin, it will be between 7% to 8%. And on the PAT side, it will be between 3 to 4%.

Devesh Advani: So, this is for FY25 or for FY26?

Shreyans Surana: FY25.

Devesh Advani: Anything for FY26?

Shreyans Surana: I think, see, in terms of number, I cannot comment on the future numbers but you can expect that every year we are increasing. So, at the end, our target is to reach around 5%. As a PAT margin, I have told in earlier calls also. So, that is the target that we would like to reach in the next couple of years. Means, at least in the next 5 to 6 quarters.

Devesh Advani: So, sir, as far as the sales mix is concerned, the apparel is taking a shift. That means they are rising. And general merchandise is declining. How about private labels? What is the margin combination that you get as far as private labels and apparel is concerned?

Shreyans Surana: So, in terms of private label, this year we have done a sale of around 44% from private labels. Against which, 0.5% has been the higher margin that we are earning on private labels. But as a strategy, because we want to expand our footprint in all the areas and expand our private label brands in all the areas. As a strategy, we are going for an aggressive pricing. That is, why we are not increasing margin at very high bps in the private label category, so that we can increase the market share of private labels. Maybe in the near future, we can increase the margins also.

Devesh Advani: And how about apparel and general merchandise?

Shreyans Surana: So, in terms of apparel, 87% of our revenue this year has come from apparel. And 13% from general merchandise.

Devesh Advani: What are the margins in these categories?

Shreyans Surana: On an average, approximately, we can say that the margins will be on a similar line. General merchandise category has a lower margin of around 30%-31%. Whereas, apparel carries a higher margin.

Devesh Advani: Okay. Alright. Thank you.

Moderator: Thank you. Next question is from the line of Pranav Shrimal from PINC Wealth Advisors. Please go ahead.

Pranav Shrimal: Thank you for the opportunity and congrats on the set of numbers. I just have a couple of questions. Can I know the mature store SSG and the new store SSG?

Shreyans Surana: So, basically, the SSG stores are only mature stores. The stores which are older than 18 months comes under the SSG category and comes as a mature store. So, the 10.4% 9 months SSG is for those mature stores. Which currently around 133 stores are in this category out of 199.

Pranav Shrimal: So, the new stores are not included in this number?

Shreyans Surana: No. In the SSG number, because they don't have any base of last year.

Pranav Shrimal: Got it. And the sales that we do in apparel and merchandising, can I know what percentage of the sales would be full price sales?

Shreyans Surana: Can you just come again? I am not able to hear the last words.

Pranav Shrimal: Yes. Can I know the percentage of full price sales that we have done?

Nitin Singhania: 90% is the full price sale through for the first 9 months.

Pranav Shrimal: For the first 9 months.

Nitin Singhania: Yes. It is 90% in the first 9 months for this year.

Pranav Shrimal: 90% at a gross level, correct?

Shreyans Surana: Yes. The full price sales.

Pranav Shrimal: Got it. And what will be your inventory turnover, sir?

Nitin Singhania: So, inventory as on date is 112 days.

Pranav Shrimal: Got it, sir. And just one question. Our net debt, as you said, stands at around INR100 crores.

Shreyans Surana: Yes.

Pranav Shrimal: So, for the expansion, have we taken up any more debt? Because our interest payment has been pretty consistent quarter on quarter.

Shreyans Surana: No. We have not taken any debt on that part as of now. As I said, there was a fire incident in the Q1 against which we are awaiting the payment coming from the insurance company. As a result, the larger part of the debt is used on the payment which we have already done to the vendors which were affected during the fire time, in the Q1. So, around INR48 crores is the expectation amount from the insurance company which is due as of now. So, that fund is also utilized in this limit.

Nitin Singhania: So, to add on to Shreyans ji point, this year the interest cost is 1.06% vis-a-vis 1.23% last year. And secondly, if you see quarter on quarter, this year in Q2 it was INR4.43 crores which has reduced to INR1.6 crores. So, there is an average costing of INR55 lakhs per month for this quarter vis-a-vis INR1.25 crores last quarter. So, our interest cost is on declining phase.

Shreyans Surana: It will decline further once we receive the insurance payment also.

Pranav Shrimal: Okay, that will be used to prepay the borrowings, correct?

Shreyans Surana: Yes.

Pranav Shrimal: And one last question, sir. In the coming time, where do you see the major growth coming from? From which state are we seeing the growth coming from?

Shreyans Surana: See, as a strategy, I said, in terms of growth, we are seeing a growth in SSG in both the core states and the focus states, that I have mentioned to you. But as a strategy, we are opening 70% stores in the core geography which is a strong fort for us. And 30% we are opening in the focus territories. So, majorly in focus, we are focusing more on UP as a state and in the core Bengal, Assam and Odisha.

Pranav Shrimal: Got it, sir. That's it from my side. Thank you so much.

Moderator: Thank you. Next question is from the line of Palash Kawale from Nuvama Wealth. Please go ahead.

Palash Kawale: Hi, sir. Thank you for the opportunity. So, my first question is around warehouse capex. So, say if you had 1 lakh square foot of store area, what kind of warehouse would you be adding for that?

Shreyans Surana: Can you come again with your question? I didn't get your question actually.

Palash Kawale: I just wanted to know, after how many stores do you need to add a new warehouse or the ratio of area of stores to warehouse?

Shreyans Surana: On average, we consider 15% to 20% of the rental area should be the warehouse area.

Palash Kawale: Okay. So, what would be your head office cost as a percent of total employee cost? And if I look at total operating cost, what percent of that would be fixed and what percent would be variable?

Shreyans Surana: In terms of HO cost, for the first time, last year it was around 5.08%, which has increased to 5.93%. As I have already mentioned, it has increased because majorly the spending has been done on the expansion side on warehouse, office space and the manpower that we have hired for all the divisions. In terms of fixed cost, I think rentals are majorly a fixed cost and employee cost, you can say it's a fixed cost. So, these two costs are generally fixed and all other costs are variable.

Palash Kawale: Okay. That's it from my side. I'll come back in the queue.

Moderator: Thank you. Next question is from the line of Tanmay from BOI Mutual Fund. Please go ahead.

Tanmay: Hi, sir. Thank you for the opportunity. I wanted to understand the reason behind declining GM and A mix over the quarters on a Y-o-Y basis and even in sequential basis.

Shreyans Surana: I think GM mix on an average for the last few years has been between this 13% to 15% sweet spot. So, generally, whenever for this year, for example, this year, we believe the trend is showing that we can address more stock on the April side. So, we fill the store with more inventory on the April side because of the better margins. As a result, the percentage of sale mix is 87 and 13, which was 84 and 16 last year. So, it's a gap of 2% to 3%, which is always for the last few years. It ranges between that range only.

Tanmay: But, sir, do you think when we keep low SKUs of general merchandise, so maybe that could be the reason people, new people, customers might not be attracting in the store or because -- a proper mix of like even if 2%-3% if we keep more may change the game or how you look at this?

Shreyans Surana: So, GM in general merchandise is always -- because we tell ourselves as a family store. So, the purpose of keeping the GM was that in smaller tier, two tier at least there is no organized player, particularly in this category. And we wanted to cater to the entire needs of a family. And generally, GM stands on the third, generally, it's on the third floor or the second floor, which is efficiency-wise is the lowest efficiency floor. And they are the, I will say, footfall driver for us.

So, though we focus more on garments, but they are like a footfall driver for us. So, I don't think as a category, it replaces the sale of apparels. It's just that the September to December was a festive quarter for us. And in the festive period, people buy more garments. So, as a strategy, we put a lot of effort on the garment side. As a result, we saw better sales in April. As a result, the sale mix changes from 16% to 13% on the GM side.

Tanmay: The transaction value of apparels and general merchandise have a major gap. Is my understanding right?

Shreyans Surana: No, there is no major gap. If I am understanding your question. Well, there is no major gap between that. General merchandise is just a footfall driver for us. Because we always tell ourselves that we are a value fashion retailer. So, general merchandise is just a footfall driver for us. In which we try to give a lot of things to the Tier 2, Tier 3 people, where they don't get this general merchandise section in the organized level. So, in GM, we keep cosmetics, imitation jewelry, plastic bottles, utensils, blankets, shoes, etc.

Tanmay: If you can help me in understanding, what is the average bill value of apparels and average bill value of general merchandise?

Shreyans Surana: It's in the same range but in terms of ASP, if you see, I think the average ASP of the company is around 305 right now. So, you can say that the apparel is around 380-400. Whereas, general merchandise is on an average ASP level, maybe around 200 or 150-200 level. On an average, the average ASP becomes 302.

Tanmay: Okay, so general merchandise ASP is below apparels.

Shreyans Surana: Correct.

Tanmay: Okay. Sir, second question I have is, there is a continuation shift of unorganized players to organized stores.

Tanmay: So, do you see that SSSG and value fashion companies are doing well? Do you see 10%-15% SSSG continuation for the next year also for us?

Shreyans Surana: I think the healthy SSSG is around 10%, which I believe that the tailwind is in the favor of us right now, all the value retailers. And I also see that in future also we are able to grow. Because what we are seeing is that, right now with the internet penetration and the Gen Z coming in, people want more comfort. And they want AC environment, trial room facilities, which are not present in the unorganized sector. So, people are moving from unorganized to the organized. They want better merchandise, better designs. So, I think we can expect a good growth for the value fashion retailers.

And secondly, even if you see all the developed nations also, all the countries have got their value fashion retailers. Maybe it's Primark, Zara, H&M. India is the only country which doesn't have a single value fashion retailer. And because of the cultural diversities, India can accommodate many value fashion retailers that way.

Tanmay: So, 10%-15% SSG can be made in next year. And lastly, on the private label front. So, sequentially, I've seen there is some decline from the last three quarters in private label contribution. So, what is the factor leading to this? Or is this kind of seasonal thing?

Nitin Singhania: Pardon, can you come again, sir?

Tanmay: Sir, my point is the private label contribution to sales is declining on a sequential basis. So, is that because of a seasonal factor or something else we are missing out?

Shreyans Surana: No, it's on a seasonal factor only. Because if you see, in the last 9 months, it has increased from 37% to 44%.

Tanmay: So, in the first and second quarter, the private label contribution remained high. Is that so?

Shreyans Surana: So, basically, what happens is that in Q3, generally, there is a shift of festivals. And along with that, it's the winter season. So, winter season is not--In terms of the winter articles, we don't have private labels in winter that much. So, it's majorly other labels. And winter has a higher share in month of November and December. As a result, for the Q3, it looks on the lower side. But for the entire 9 months, it is on the higher side.

Tanmay: Understood, sir. Thanks a lot.

Moderator: Thank you. Next question is from the line of Bhavik Narang from Bastion Research. Please go ahead.

Bhavik Narang: Thank you. But all my questions were answered.

Moderator: Thank you. Next question is from the line of Chintan Shah from JM Financial Family Office. Please go ahead.

Chintan Shah: Hi. Thank you for the opportunity. So, two questions. So, one is, even if we look at the SSSG on, say, a nine-month basis, which is around 10% odd, it seems to be lower than what other peers have reported. So, just wanted to get a sense from you. Is this on the back of the regional presence that we have since we are more East-centric? Or is the competitive intensity higher? So, what could be the reasons for a lower SSSG versus peers?

Shreyans Surana: So, I will just say that, there are a lot of things which comes when you are talking about SSSG. So, in terms of peers, when you say, there are only maybe one of our peers who is achieving higher SSSG than 10%. And that may be on the account of their geographical presence, maybe the maturity of the store network that they have, local festival and events, inventory density, etc.

So, I think, on an average, anything in 10% is a very good SSSG from the retail, per se. In my experience of last over more than 12 years in this retail category, I see 10% as a very good SSSG. And apart from that, I think, again, as I said, it totally depends on the geographical presence of the stores that they have.

Chintan Shah: Okay, understood. So, next question is, suppose we do this SSSG of 10% over the next 2 to 3 years, what is the sort of potential in terms of beta margins that we can reach?

Shreyans Surana: So, if you achieve, I will just give an example to everyone in the call. If you are achieving 4.5% to 5% SSG for a store, technically, you are able to take care of the entire cost which has increased because of the inflationary pressure, maybe on the employee cost, and anything of that gives you a higher EBITDA. So, typically, in our scenario, when a store becomes mature, it gives us an EBITDA of around 14% to 16% at pre IND AS levels.

And even in our, this year also, if you see, on the L2L side, from last year, 0.8% has been increased in the EBITDA level on the L2L category.

Chintan Shah: Okay, got it, understood. And just one more follow-up here is, any sort of expansion, etc., or any other corporate overheads that we plan to incur over the next 2 to 3 years?

Shreyans Surana: I think, as of now, I don't think, a big plan, yes, but there are a lot of things. This year, we are planning, this is a year of technology for us, coming financial year. So there will be a lot of tech play that we are going to do and which we are working a lot on, different models, on the inventory side, on the ERP side. We would like to start, which can help us to sustain the future growth. So, we are working on that. So, investing in technology will be the one part where we will be open to the expenditure.

Chintan Shah: Okay, so any sort of number you would like to give? I mean, how much you are looking to spend?

Shreyans Surana: As of now, on every year, as a capex, in terms of capex, as a company, we plan around INR15 crores to INR20 crores, always on the development side, sometimes on the capex infrastructure side, sometimes on the technology side. So, this year, I think, INR15 crores to INR20 crores will be going on the tech side.

Chintan Shah: Okay, got it, understood. And here is one last question from my side. So, if you look at a presence of a company, for instance, now we are continuing to add stores, say, in the range of 25% CAGR. So, to reduce the variability of the seasonality, you think it is more prudent to expand more in north-centric regions, away from, say, eastern regions, so that we reduce the volatility in the financials, or you think that you will continue to focus on east? Just wanted to understand your thought process.

Shreyans Surana: So, when we say north, in terms of north, right now our focus is on UP and UP, Bihar and Jharkhand are the focus states. So, we will be focusing on that. But while saying that, what I see, all the retailers who have a major presence either in the North India or central or East India, the quarter 3 plays a very important role.

So, if you see the quarter 3 numbers for all the retailers, you will see it's on a very high side, almost 50%-55% of the EBITDA comes from quarter 3 itself. So, yes, but as a company, we are moving towards UP. So, I think that will again create, I would say in terms of number, the dependency on the eastern part, maybe on the Bengal and Bihar will reduce.

But while saying that, the quarter 3, September to December, will always be a bigger number, for the North or the Central or the East states, because all the festivals fall in that particular month only.

Chintan Shah: Okay, got it, understood. And just one last question in terms of competitive intensity, is there any change, has it increased, is it the same, any thoughts on that?

Shreyans Surana: It's still the same. I think there are few players only, above 100 store category in the value fashion retail. And I think the market is big enough for everyone. As I already said, there is a huge shift from unorganized to organized going on. And everyone is doing good. So, when everyone is doing good, that's very good for the industry, what I believe. And coming 2-3 years, I don't see any problem in value fashion retail industry.

Chintan Shah: Okay, got it, understood. Thank you so much for answering my question.

Moderator: Thank you. Next question is from the line of Naitik, from NV Alpha Fund. Please proceed.

Naitik: Hi sir, thanks for taking my question. My first question is, you mentioned in the opening remarks, that this year you might end up with around INR95 crores to INR100 crores of pre IND AS EBITDA. So, does that mean we would be PAT positive for the last quarter?

Shreyans Surana: Yes, so we expect a good Q4 because Eid coming in the March itself. So, we expect a positive PAT in Q4. And in terms of EBITDA, yes, our target is to reach between INR95 crores to INR98 crores of EBITDA for this financial year 2025.

Naitik: Right. And sir, my second question is, if you could just give us a sense on the capex that you might have spent in increasing the corporate office space or warehouse? The store capex?

Nitin Singhania: We have invested around INR15 crores in the warehouse and approximately INR40 crores in the storefronts.

Naitik: So, for 9 months, we have spent around INR55 crores, INR15 crores and INR40 crores, the split is INR55 crores.

Nitin Singhania: Yes, INR55 crores.

Naitik: Got it. My next question is, what sort of sales does our mature stores do, per square feet or per store, the 133 stores that are mature right now?

Nitin Singhania: So, at the company level, we have 8,800 per square feet sales at annualized sale for the full year, vis-à-vis last year, it was 8000. And for the like-to-like stores, it is approximately 9,000 per square feet. And it will be 7,500 to 8,000 square feet for the other stores.

Naitik: Right, sir. That's it from my side. Thank you.

Moderator: Thank you. Next question is from the line of Arman from Blue Sky Capital. Please go ahead.

Arman: Yes, thanks for the opportunity. Just want to stress a bit on the explanation, in Q3 FY25, our revenue did rise, right? Comparatively, Y-o-Y. Although West Bengal does contribute a major percentage of our stores or mature stores, but yet revenue did rise and comparatively, profit did not rise.

So, can we conclude that in Q3 comparatively, new stores have contributed to the revenue because our comparatively of 133 mature stores, I guess around 45% are in West Bengal. So, that's why our mature stores did not contribute well due to the season? And that's why new stores contributed and hence our profitability reduced. Is that the first reason? Because if I say our average transaction value, that being reduced Q3 comparatively, Y-o-Y, that also reduced. So, first question is that?

Second, of the total stores which we plan to open, like our focus you said about UP and Bihar and one of the retailers that you also told that performed well, that is their core area of UP and Bihar where they have similarly told a very good comparatively same store sales growth in which we are also focusing. So, what is the reason why we are lagging behind and what is the explanation for total number of stores opening in which state comparatively if you see focus market or core market?

Shreyans Surana: Coming to your first question, I think it is a balance of both. As you rightly said, that in Q3 we opened around 18 stores and for this entire year we opened 43 stores. As a result, the cost element was higher which also related in a lower EBITDA for Q3 because of the newer stores.

Coming to the second question, in terms of the peer comparison we have, it depends on the geographical location and inventory density. What we see in terms of core and focus states is that core is the geography where we are very strongly present so we would continue to grow that thing but again while saying that we have to build stores in focus territory where we see a lot of potential. In UP, Bihar, Jharkhand market we see a lot of potential. So those maybe, they are growing at a higher SSG, but as I said that over my years what I have learned, 8%-10% is a healthy SSG.

So I am focusing on my numbers, if I am able to achieve 8%-10% SSG on an average as I said the rest of other states, other than Bengal, Assam, Tripura. For the first time it has given me an SSG of around 9.83% which will give me a healthy EBITDA on those stores also. So I think we can also open the stores as the market is big enough for everyone.

Arman: Thanks for that answer. Just my last question is that, if I just see total number of bills raised that also signifies that we had a good footfall, but that could not contribute more to an average transaction value, because probably new stores opened, so people try sometimes a small stuff and that's how the transaction value comes down.

So does that mean that after this mature stage, we are healthy seeing CAGR EBITDA margin from here onward just improving, because our mature stores, are already stores we have we have opened are almost from 133 to I guess 200 around. So coming FY26 will see continuously healthy trajectory for EBITDA margin?

Shreyans Surana: Yes, you can say so, because as you rightly said that because of the newer stores, and because we wanted to focus more on increasing the number of bills and increasing the number of customers in the newer stores. So aggressive pricing and because sometimes customers start with low pricing articles, so mix of both has led to a lower ASP but next year, as I have already mentioned that the store life cycle moves like this only cycle moves like this only, once it reaches 2nd to 3rd year it is in the EBITDA 14%-16%. And as we have opened lot of stores this year, so it is going to give healthy EBITDA in the coming quarters from the next financial year.

Arman: Thanks a lot for your answer.

Moderator: Next question is from the line of Palash Kawale from Nuwama Wealth.

Palash Kawale: Yes, so sir again on the comparison with the peer, one of the peer, so they have alluded to lower markups which has led to very high throughputs and footfalls for them. So have you also experimented with that kind of strategy or any insights that you could share on that?

Shreyans Surana: So I think, whatever I have read the results of all the peers as of now for the 9 months, it has not been a very high gross margin impact on the numbers, it is only a percent difference between all of us together in the delivered margin section. In terms of, I will not say that, we have done anything what our peers are doing, because as I told, you all the guidance that we are saying in terms of revenue growth that we want to achieve, we are able to achieve that. As we are entering into new territory in the focus state, we are going with some aggressive pricing that is keeping low article pricing articles in the stores which is helping us to build higher footfall and higher number of bills.

As I said right now only, so that is the study that we are applying, so to attract a lot of customers in the focus states. We are keeping a lot of inventory at our entry price point levels just to make them come to our stores see our stores, feel our store and maybe in the repetition sales, as I said our repetition customers sales have been 72%. It has been consistent for more than a year now. So we just create that room by investing more on the entry price point, so that we can bring more footfall of customers to our stores.

Palash Kawale: Yes sir thank you for that. And sir out of 45 to 50 stores or 100 stores that you would be adding in next 2 years, how many of those you expect to add in UP or Bihar UP and Bihar combined?

Shreyans Surana: Not particularly UP-Bihar, but as a strategy for the coming, at least for the next 1 year what we see is 70% of the stores are going to open in the core states. For us core states is a combination of Bihar, Bengal, Assam and Odisha, and 30% will be in the other states which includes UP, Jharkhand and other states.

Palash Kawale: Ok sir thank you. Thank you for your answers and that's it from our site and all the best for the future.

Shreyans Surana: Thank you.

Moderator: Next question is from Shreyans J from Svan Investments. Please go ahead.

Shreyans J: Yes, sir my first question is could you explain to us your cost structure on a store basis store level. So if I have to understand, when I am just trying to understand your employee cost and your opex per square feet. So Q2, Q3 of last year we were at INR50 and INR55 for employee cost whereas my understanding is that employee cost for a retail store is anywhere between INR60 to INR75 per square feet.

So how are we so low versus the industry, and if I do a similar comparison for the other opex bit. We are at about INR100 versus industry at about INR120-130 so how are we so low versus the industry sir?

Nitin Singhania: So coming to rental, because we are majorly in Tier 2, Tier 3 and Tier 4 cities, so where the rentals are low. So hence in comparison with the competitors it seems to be on the lower side, but taking rental and other cost together, the average per square feet cost is INR150 around so for at store level and at company level it is around INR190 per square feet which is in at par with the peers also.

Shreyans J: The value of rent per square feet sir?

Nitin Singhania: It is approximately 50 to 55.

Shreyans Surana: For the quarter and for the 9 months it is around 48.

Shreyans J: No sir, so average on an industry everybody is at 50 to 55?

Shreyans Surana: So ours average is 48. As he rightly said that our cost per square feet is around 190 which is almost similar with the peers only, so it is not at a lower level.

Shreyans J: No but last year this was at about 150 and now we are at 190, so what was driving this 150 last year sir?

Nitin Singhania: So the rental last year was around so 46, 44 to 46 per square feet which has increased to 50 to 55 because in Tier 1 and Metro, we have opened 30% of our stores, and due to that our rental per square feet has increased. And secondly, we have invested in manpower and that has also led to the increase in the cost per square feet in employee cost.

Shreyans J: So what should be your steady state employee cost and your rental per square feet or if I have to understand your whole opex?

Shreyans Surana: So if I say at the store level, if you see, only from the store level perspective, for the first 9 months it is around 122 per square feet for the last year, and it is the 3 costs that we have taken employee, rental, power and fuel. And with the inflation and everything going in it increased to INR133 per square feet.

So there has been INR11 increase in 9 months on this 3 costs, and I think, the only thing that increases in the employee side at the store level is the any change by the government on the minimum wages, which we increase in the store level, so that is the increase which is typically around 8-9% on the employee side.

So that is the growth typically around employee cost, and on the rental side it is a 5% escalation every year, and again power and fuel depending on the agency or the company it is around 6%-7% inflation every year that we have seen.

Shreyans J: And sir you mentioned that we spent about INR20 odd crores additional on some corporate overheads so can you explain that sir. Sorry I missed that point, what is that line item and where have we spent that?

Shreyans Surana: So basically considering the future growth aspect, we have doubled the capacity of warehouse. We have increased the office space, and we have increased huge number of manpower at the back end operation, procurement, technology level, and supply chain. So these 3 are the cost elements majorly on the count of which it has increased.

If I tell you in terms of absolute value, so employee cost has increased by around INR8 crores this year, rental has increased around INR3 crores. So INR11 crores out of INR20 crores is because of employee and rental majorly for this 9 months.

Shreyans J: And so what should we assume as the steady state opex now INR60-60 crores of opex, should continue for us going forward, or do you think we can go back to the INR40-45 crores that we used to do last year we can see that next year?

Shreyans Surana: So, I see when you grow typically last year we did a -- I will say that the back-end expenses of the corporate overhead should be seen as the percentage of sale. So last year it was around 5.1. Because this year we have invested on lot of things at the recurring level, so this year it has increased from 5.1% to around 6%, and in coming quarters again, because we have taken lot of people this year around, and with the larger growth trajectory that we are seeing ahead, and the stores that we are opening, we expect this cost again to get reduced back to the same level of 5.1%, maybe in coming 6 quarters.

Shreyans J: Okay, and sir this last question, you said, we spent something on technology as well. Now how do you expect these spends to, I mean, where should we see the improvement, should it come on the opex paid, should it come on the inventory turn side? Or should it come on the gross margin? So I am just trying to understand when you are spending this kind of money on technology, where should this benefit be visible on your balance sheet P&L?

Shreyans Surana: So I will say when we are investing it will be more on the capital side, but in terms of efficiency, as you rightly said, it will be largely on the inventory side. So whatever we invest, for example, I am just giving example that we are investing on warehousing, which will help us to reduce the lead time to the store which in turn will help us to have a higher sales throughput in the stores.

So the higher will be the churning higher will be the margin earned. Again on the inventory side, we are doing lot of things on the inventory side, in which, as you see right now also, we have reduced our inventory by INR200 square feet, whereas our sales per square feet has increased by almost INR800 from last year.

So, from last year from INR8000 we have reached INR8800 by reducing the inventory by 200 square feet. So we are trying to reduce the tailwind -- tail of inventory, I will say that way, so there will be higher efficiency in the form of gross margin, higher efficiency in terms of increasing sales per square feet, which again will lead to a majorly will be coming from the L2L growth also, that you can see, which in turn will give you a higher profitability.

Apart from that if you go for the ERP solution that we are planning to do, it will create a greater, I will say, discipline around all the functions. It will create lot of processes which will again help in improving the efficiency, because there will be lot of SOPs and process to be followed, which I generally think is missing in lot of retail companies which we would like to improvise on.

Shreyans J: Okay, alright sir. Thank you and all the best.

Shreyans Surana: Thank you so much.

Moderator: Next question is from the line of Aayush Saboo from Choice Equity Broking Private Limited.

Aayush Saboo: Yes, could you please just give a guidance regarding the total capex that we will incur for the next year FY25 and FY26, considering what the guidance you already gave for the technological developments? What would be the total capex so that we could go up with?

Shreyans Surana: I think, typically, we will be opening as we said we will be opening anything between 40-50 stores, and on an average INR1 crore to INR1.25 crore is the spend on the store, depending on the location that store gets opened around. So 40-50 stores will be the study for opening.

And as I said, the capex will be, as I said use the capex amount also. So you can expect anything between INR60-65 crores on that side, and apart from that if there is any other capex expansion going in the warehouse or the infra side that will be the additional cost on that.

Aayush Saboo: So additional will be around INR15-20 crores, like you mentioned, right?

Shreyans Surana: Yes.

Moderator: Next question is from the line of Tanish Tolani who is an Individual Investor. Please go ahead.

Tanish Tolani: My first question is regarding guidance for ROE?

Nitin Singhania: So ROE, it will be around so, last year it will be floating with respect to last year itself it will be 10% to 11% only.

Tanish Tolani: And how many stores in Q4?

Shreyans Surana: So, as I said for the entire year, we will be opening anything between 45-50 stores, 43 stores have been opened, so maybe 7-10 stores.

Tanish Tolani: And e-commerce side are you looking for e-commerce?

Shreyans Surana: So see in terms of e-commerce our strategy is pretty clear. We are working on 2 models. One is on the Omni side, what we have created is in terms of Omni. At the store, anyone goes for shopping he can -- and if he doesn't find any size or color that can get delivered to his home. We have started it last year and we are seeing a good traction of revenue coming from that on the Omni side at the store level.

On the e-comm side, we are still in a stage where we are planning to create an ecosystem, but it will be largely around our own website, because what we have seen is that even though if you are going to Quick Commerce or though the e-com, on the marketplaces, the commission cost is very high. And with the margins that we have it will not be a profitable model for us and we want to build a profitable, sustainable model.

So e-com will be there but it will be largely around our own website, through which we are going to -- it will be just like a convenience for the customer, whether they can buy from stores, or maybe they can buy on the Omni channel and or maybe they can buy on the e-com, but e-com will not be the focus area.

Tanish Tolani: Okay.

Moderator: Tanish. Does that answer your questions?

Tanish Tolani: Yes.

Moderator: Next question is from the line of Armaan from Blue Sky Capital. Please go ahead.

Armaan: Yes, thanks again. Just I want to have a general understanding because from October to 10th January I guess we closed 3 stores one in Jharkhand, one in AP one in Chhattisgarh. So what is the strategy company followed in deciding where to open any store and what dynamics do you see?

Also if our focus area still be on the core areas like West Bengal, where we will open more, so will that mean that our renting cost will increase, because already we have established so many stores over there, and new area finding would not be that much lucrative as it has been in past?

Shreyans Surana: No, I don't think so that way. In terms of closing the stores simple strategy that we follow is, while we are selecting a store we have a lot of processes that we follow from business side, going over there, creating a scorecard approach, in which they see how the catchment is, how many universities, what is the size of the population catchment over there, lot of things, and then they create a business plan.

Generally, 95% stores are getting closed, because of the wrong estimation of revenue, which will be the case when we are opening stores, but for us if you see, from inception till 31st December 2024, we have shut down 27 stores, and we have opened 200 stores. So, typically it has been 11% closer rate for last 11 years so which is pretty good.

There will be some hits and misses but again the reason behind such a good rate again is the cluster base approach that we have followed, and which help us to know which are the pin codes where we can open stores. We know catchment better, product assortment better as a result the closure are lesser.

In terms of future expansion, why we are creating focus states, because once you reach the maturity at the core state, you require future stores to develop. Generally between 5-6 years when you expand into a territory 4-6 years you tend to understand the territory very well and that territory converts from focus to core.

So going forward, as I said UP will be the target state where we will be opening more stores in the focus area, and along with that, the core because we have such a good expertise. So I think still there is a lot of area where we haven't opened the store, so till the time we reach that maturity level, we will be opening the stores over there also.

Armaan: My last question is like what is our marketing strategy over there, like just for example, a big player, like I could see on YouTube, many of their videos or what are the specific strategy, because we are regionally specific definitely, we would have some regional specific strategy, but what's the strategy companies follows to increase the look and feel and awareness for the companies stores, is it organically or word of mouth or company spends what kind of strategy does company follows?

Shreyans Surana: So company spends according to the area for example right now we are focusing more on UP, and I have told in last call also, but if you go to YouTube, and if you just type Khesari Lal Style Baazar song. So we just launched that song in the month of Diwali, Chatt, and that song has got more than 34 lakh views as of now. And that song is about Style Baazar collaborating with Khesari Lal as a celebrity and in the song the entire script they are showing Style Baazar stores they are showing the products of the Style Baazar.

So we try to work more on the regional celebrity side more on influencer activities which help us to connect with the local people, because larger 90% of the audience whom we want to target are more of those people who are following the local celebrities. So this kind of advertisement is done by us in every state. In terms of total spending which is 1.5% to 1.7% at the company level which again changes between state-to-state.

Moderator: Next question is from the line of Aayush Saboo from Choice Equity Broking Pvt. Ltd. Please go ahead.

Aayush Saboo: What will be the trend of the debt and creditors as we go ahead as we increase the store expansion would you see it improving or would you see the creditor days coming down below the 70-75 level or would it sustain there?

Nitin Singhania: So at present it is at 72 days vis-à-vis 83 days last year. So it is on the declining trend, and we hope to maintain between 60 to 75 days in coming years also.

Moderator: Next question is from the line of Kushal Goenka an Individual Investor. Please go ahead.

Kushal Goenka: So my first question was when can we expect the fire insurance money to come in?

Nitin Singhania: We are expecting that to be closed by this March end. The figure will be closed by this March end and interim relief or full payment will be released within this period only.

Kushal Goenka: And my second question was since like January is about to end, can you tell what is the trend for Q4? How it is timing out compared to last year quarter 4?

Shreyans Surana: See I cannot comment on the Q4, but Yes as I already said that we are expecting a good momentum that has started in January itself and we expect good numbers with the Eid coming in March.

Kushal Goenka: And last question sir, sir like any new state are you looking for in the focus state like as you said like you are looking to expand more in UP, but any new state where you are not currently present, are you looking for that in like Q4 or next year FY26?

Shreyans Surana: As of now no we are not looking at any other states because I think there is a lot of potential. And as a strategy as I said we have a strategy to go in a cluster, so we go deeper into any state as we open stores. So the strategy will remain same and UP, Jharkhand, Bihar, Bengal, Assam, Odisha, will be the states where we'll be opening more and more states going forward also.

Kushal Goenka: Okay, but as I can see, like I guess in Tripura you have two store, Arunachal one store, and Andhra also you have like five stores. So are you planning to expand in these states now?

Shreyans Surana: So in terms of Tripura, Tripura is a very small state. I think maybe one or two stores can be added more over there as of now. So as a strategy, we are not going on that particular state. Again, Arunachal Pradesh was just an extension to the Assam, because it is nearer to Assam, and we got a very good location, so we opened. And the taste and preference is also similar to Assam. So we took a decision over there.

Andhra Pradesh is again an extension to Odisha. So it's not a state-specific call that we have taken because some cities fall into that territory. So that's why the state changes. It's really a border area of Odisha where we have open stores which falls under Andhra Pradesh. So as a strategy, it's only Odisha.

Kushal Goenka: Okay, thank you.

Moderator: Ladies and gentlemen, that was the last question for the day. I would now like to hand the conference over to Mr. Shreyans Surana for the closing comments.

Shreyans Surana: Thank you guys, thank you for attending this call. And we hope to give good numbers in the next coming quarters. Thank you so much.

Moderator: Thank you. On behalf of Baazar Style Retail Limited, that concludes this conference. Thank you all for joining us and you may now disconnect your lines.