To,

Listing Manager,	The Secretary,
The National Stock Exchange of India Ltd.,	BSE Limited,
(Through NEAPS)	(Through BSE Listing Centre)
Symbol: EMIL	**Scrip Code: 543626**
Series: EQ	
ISIN: INE02YR01019	

Dear Sir/ Madam,

Subject: Disclosure of transcript of Earnings Conference Call for the Third Quarter ended 31st December 2024 held on 10th February 2025.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earnings conference call held on Monday, 10th February 2025, at 04:00 P.M. IST to discuss the Un-audited Financial Results for the Third Quarter ended 31st December 2024. The same is also available on the website of the Company at the below-mentioned link:

https://investors.electronicsmartindia.com/earning-call-transcripts-and-investors-presentation

We request that you take this information on record.

Thanking You,
For and on behalf of **Electronics Mart India Limited**

RAJIV KUMAR
Digitally signed by RAJIV KUMAR
Date: 2025.02.14 12:20:06 +05'30'

Rajiv Kumar
Company Secretary and Compliance Officer

Date: 14th February 2025
Place: Hyderabad

"Electronics Mart India Limited
Q3 & 9M FY25 Earnings Conference Call"
February 10, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 10th February 2025 will prevail

MANAGEMENT:

- MR. KARAN BAJAJ – CHIEF EXECUTIVE OFFICER – ELECTRONICS MART INDIA LIMITED
- MR. PREMCHAND DEVARAKONDA – CHIEF FINANCIAL OFFICER – ELECTRONICS MART INDIA LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Electronics Mart India Limited Q3 FY '25 Earnings Conference Call.

This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask question after the presentation concludes. Should you need any assistance during the conference call, please signal for an operator by pressing "*" followed by "0" on your touchtone telephone. Please note that this conference call is being recorded.

I now hand the conference over to Mr. Karan Bajaj – CEO of Electronics Mart India Limited. Thank you, and over to you, sir.

Karan Bajaj: Thank you very much. Good evening, and a very warm welcome to everyone present on the call.

Along with me, I have Mr. Premchand Devarakonda – our Chief Financial Officer.

We have uploaded our results and investor presentation for the quarter and nine months ended FY'25 on the stock exchanges and the company's website. Hope everyone has had a chance to go through the same.

In nine months, FY '25 revenue recorded was at Rs.5,246 crores, reflecting a year-on-year growth of around 10%. EBITDA stood at Rs.337 crores, with EBITDA margins at 6.4% and pre-IndAS margins at 4.7% respectively.

The challenging macroeconomic environment is driven by persistent inflation pressure, subdued discretionary demand and slowing down real estate market in urban pockets. Large appliances continue to dominate as the largest revenue contributor, accounting for 45% of the revenue in the nine months FY '25. Mobile and small appliances contributed 42% and 13% respectively.

The store network expanded significantly during this period, with 14 new stores opened in Quarter 3. In Telangana, 2 stores were added, 10 stores were opened in Andhra Pradesh and 2 in the National Capital Region. Gross store opening in Q4 are expected to be between 10 to 12 stores, taking the total count beyond the 200-store milestone at the pan-India level.

By December '24, the total store count rose from 177 stores as of September '24 to 191 stores comprising 178 multi-brand stores and 13 exclusive brand outlets, spanning 78 cities across 6 states. In the NCR region, the total number of stores reached 26.

The company has outperformed its full-year guidance in terms of store addition by adding 31 stores during the 9-month ended period. As of December '24, inventory days stood at 46 days. The company continues to prioritize inventory optimization enhancing cash flow conversion, further fortifying the balance sheet position.

India's economic outlook remains optimistic, with the projected growth of 10.3% to 10.5% in the upcoming fiscal year, up from 9.7%. The anticipated growth is supported by increased government capital spending and a rebound in demand driven by premiumization.

Further, the Union Budget of 2025 has introduced significant personal income tax relief by lifting the taxable income limit. With an estimated One lakh crore being distributed to the middle class, this move is expected to enhance disposable income, directly boosting consumer spending, particularly in the consumer-durable sector. With greater purchasing power, households are likely to increase their spending to purchase or upgrade their home appliances and electronics, driving overall demand growth, benefiting both manufacturers and retailers in the consumer-durable industry.

EMIL's competitive strategy focuses on developing a comprehensive product portfolio and forging strong partnership to capitalize on the region in the demand. By offering a wide array of high-quality products, EMIL is positioned to meet the diverse needs of consumers, ensuring customer satisfaction and Loyalty. The company's collaboration with renowned brands enhances its credibility and appeal allowing to capture large market share as demand continuous to rebound.

To conclude, we have actively expanded our store portfolio over the last 2-3 years. However, as the store matures and achieves higher throughput, we expect to see a stronger recovery in the unit economics. As revenue flow stabilizes, it will lead to improved margins on the account of operating leverage. We remain cautiously optimistic on demand recovery, mainly through a strong summer season coming forward.

With this, I request Mr. Premchand Devarakonda – our CFO, to update you on the financial performance. Thank you all.

Premchand Devarakonda: Thank you, Karan, sir. Good evening and warm welcome to all the participants.

Let me begin with the Q3 FY '25 Financial Overview:

Our revenues for the quarter stood at Rs. 1,885 crores as against Rs.1,775 crores in Q3 FY '24 , a growth of 6% year-on-year.

EBITDA for Q3 FY '25 stood at Rs. 99 crores as against Rs. 115 crores, a degrowth of 14% year-on-year. EBITDA margin for Q3 FY '25 stood at 5.2%. Pre-IndAS EBITDA for Q3 FY '25 stood at 67 crores, which works out to 3.6%.

PAT for Q3 FY '25 stood at Rs. 32 crores as against Rs. 46 crores. SSSG for Q3 FY '25 was 2.8% negative, mainly due to slowdown in Hyderabad region. Excluding Hyderabad regions, all other regions have a decent SSSG.

Now, moving on to nine months of FY '25 Financials:

Our revenue for 9 months FY '25 stood at Rs.5,246 crores as against Rs. 4,761 crores in 9 months FY '24, a growth of 10% year-on-year.

EBITDA for nine months FY '25 stood at Rs. 337 crores as against Rs. 342 crores, a degrowth of 2% year-on-year. EBITDA margin for nine months FY '25 stood at 6.4%. Pre-IndAS EBITDA for 9 months FY '25 stood at Rs. 245 crores with a margin of 4.7%.

PAT for 9 months FY '25 stood at Rs. 129 crores as against Rs. 143 crores. For nine months, FY '25, SSSG stood at 3.8%.

ROCE and ROE on an annualized basis for nine months FY '25 stood at 16.4% and 11.2% respectively.

The working capital days as on 31st December 2024 stood at 52 days.

The gross debt stood at 0.4x and net debt-to-equity stood at 0.3x and our net debt-to-EBITDA stood at 1.04. Pre-IndAS cash flow from operations stood at Rs. 453 crores.

With this, now I open the floor for question and answer. Thank you one and all.

Moderator: Thank you very much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from the line of Manoj Gori from Equirus Capital. Please go ahead.

Manoj Gori: Yes. Thanks for the opportunity. So, my first question is on the sales side. So, when I look at the overall brand's performance, whether we talk about large appliances, who are largely into refrigerators and washing machines, the categories which have been relatively been under pressure plus when I look at some of the ECD categories of the companies which have reported their numbers, so both in 2Q and 3Q, when I look at the sales performance seems to be a bit on the higher side as compared to us.

So, even if we look at Whirlpool or IFB, they have reported double-digit kind of growth during Q3 despite a lot of sales that have been done during September month, as the channel would have obviously stocked up for the festive season. So, just want to understand, where is the disconnect? Because when I look at our performance, that definitely seems to be a bit muted when I look at the brand's performance.

Karan Bajaj: Hi, Manoj ji, you are absolutely right. So, if you look at the cluster division that we operate today in, whereas our matured stores, majority of them are in the Hyderabad cluster, which is at a flat or negative growth by 1 or 2% for us, especially where the larger appliances have been a stronghold for us for a very long time, except ACs.

Because AC, you have seen a very good growth coming from almost 40 odd percent. And that is both value and volume growth. Whereas when we look at a break-up of refrigerators and washing machines, unfortunately, we could not see a higher double-digit volume growth in these clusters.

Whereas our newer clusters like Telangana country market, Andhra Pradesh, Delhi-NCR have outperformed and done really good. But unfortunately, what happens is that these clusters are really small on the total overall contribution that they have on the total balance sheet. So, this was a problem with us in the last quarter as well.

So, until and unless Hyderabad does a good performance, till the time it is a bigger cluster for us, there is always going to be a much lesser growth we will see for us especially in the refrigerator and washing machine category, whereas the volume growth is around 2 or 3% only.

Whereas if you see mobile phones, air conditioners, kitchen appliances, the growth is much higher. Then, you will see an inline performance across geographies, and that would help us grow better. But saying that, we keep an eye on an everyday market share across categories and competition very closely to make sure that nothing is going wrong with us in Hyderabad because that's the biggest cluster for us. And that is on the positive for us where, you know, we have not lost even 0.5% of market share across categories.

So, that is a good positive sign for us. And there are a lot of other reasons for the market to be a little slower in this region where we operate in Hyderabad. But we are quite optimistic that for the summer coming up, it is gearing up quite well for us. And right now, the weather is also on our side, where it is supporting us that it has become a little hotter during the day in Hyderabad. So, we are quite optimistic going forward for this cluster also to outperform and deliver us better.

And to add up to your question, one more thing, Manoj ji, I would like to give out is that out of the 170-plus stores that we operate, around 75-80 stores today are the stores which have not reached the maturity level. So, in the drastic period of the last 20 or 18 months, you might have seen a lot of store expansions that happened. But till the time the stores mature and that is where you see the actual true color of the store performing and giving us a higher growth and these are all in the newer clusters in Delhi NCR, AP and Telangana whereas in Hyderabad we have hardly opened two new stores. So, it is not about new count that are added up in the existing market in this region.

So, that is why you would see, you know, the market is getting a little slower, not supporting us the way we wanted the growth to be. But we are quite optimistic and quite happy with how it is shaping up now.

Manoj Gori: Correct, sir. Sir, two subparts on this side. One, if we look at the Hyderabad business, obviously we have a very strong presence over there. Like, are we confident that we are not losing any market share into this market? And probably these are the markets which are facing some issues at this moment.

Karan Bajaj: Absolutely. As I told you, so that is what we as a homework we do every day across team and across categories. And if you deep dive into the volume growth that is there in the market today versus what we are delivering and at the same time, the new categories are doing very well for like built-in audio, kitchen appliances, these are the categories that have actually shaped up really well in the last quarter onwards. Then we started focusing on the other products to be, you know, started selling better for us. And you would see good growth.

AC is an exception. AC we see a 40% growth is because, you know, the penetration was lower. All the brands are very aggressive. And unfortunately, for the last few years, you might have even seen discretionary growth in pricing as well or the ASP is also going up, especially in the large appliances, which unfortunately, this year is not that great.

You are not seeing the support of price increase coming up here, the inflation going up here, you know, we would get a higher growth rate in terms of value. That has not been supporting us, whereas the volume growth has been in single digits for the larger appliances, especially televisions at 5-6%, washing machines, refrigerator, both at 2-3%. So, you would not see a major jump in value contribution from those categories as well.

Manoj Gori: Correct. So, our market share remains intact in Hyderabad.

Karan Bajaj: Absolutely.

Manoj Gori: In Delhi, if you look at even in the third quarter, our sales growth was roughly around 9%. So, that's on the SSSG side. Again, if I look at in AP Telangana, we did saw some challenges. So, did we see similar kind of challenges even in Delhi NCR? Because even there, if you look at the SSG seems to be a bit sluggish than what we would have been expecting.

Karan Bajaj: See, that number that has been given is majorly given for the stores which have been matured over 12 months. If I actually see what is in line, so that number would be upwards of 20% for us. Or if I give you an exact number, that would be around 22.5% for the SSSG for the stores which have been operating for 12 months. Stores which are over above that is around 8 to 9%. So, you would see that decrease, I mean, you see the change there.

But overall performance of Delhi-NCR is up by almost 50% if you compare the quarter-to-quarter number. And for the first nine months, it's up by 60 plus percent. So, we are quite happy with the performance there. And that is what we are expecting. Definitely, yes, it is a newer market. The more we fetch out of the market, the better it is for us. And more sooner it becomes mature and stabilizes for us in the coming times because a lot of stores that have opened up are not even 12 months old. So, we are quite optimistic about that cluster as well.

And this is going as we decided that we will touch a certain throughput for the first set of 8 stores that we opened up in 22 August. So, those are in line. So, majorly the SSG that you would see is for those set of 8 stores that we had opened initially, and then after that the other stores. Whereas the stores that we opened in the last 24 months are up by 22%.

Manoj Gori: Correct, sir. Sir, lastly, if I may ask one more question.

Karan Bajaj: Please.

Manoj Gori: So, obviously, today, when we look at roughly 60-65% of the revenue comes from Hyderabad market, and we do understand these are matured markets, the stores are very mature, and accordingly, there will be negative drag on the overall SSSG performance.

Karan Bajaj: Correct.

Manoj Gori: I see this contribution changing probably new stores getting, adding up in the SSSG calculation next year. And how do you see this 60-65% moving to roughly around 50-55% and by when should we expect that? So, there are two questions. One, what would be the new percentage, new store additions in SSSG for next year? And second, by when should we expect Hyderabad contribution to come down to 50-55%?

Karan Bajaj: Manoj ji, for the next year, like for this last quarter itself, see right now for the first nine months of this year, we opened around 31, 32 stores, and another 10 to 12 stores are in the pipeline that we will open up. We have already opened up few stores in Jan and Feb, and few more stores opening up in March as well, especially in the Delhi cluster.

So, this year, we would end up, FY '25 closing, we would end up in addition of around approximately 40 stores, whereas for the next year, FY '26 also we have 35 stores that are already getting ready for us.

So, in FY '25, we should be closing the addition by around another 35 to 40 stores. So, that we have already shortlisted in the existing clusters. I am not even adding a new cluster to this. So, to take the count up to almost 225 to 230 stores in the next financial year, that is the idea for the company for the addition of stores, which will majorly be in the existing clusters in NCR Delhi and AP and Telangana.

So, that is the plan. And as I told you earlier, almost out of the 200 odd stores that will end up by Q4, there will be 80 odd stores which will still be not matured or still under-matured in the time that we would take it to get matured. So, almost say 24 to 36 months it takes around for the store to get matured. So, that is the number of store counts. Around 80 odd stores will be still yet to touch the maturity levels in the coming times.

Manoj Gori: Sure, sir. Very helpful. I have some more questions. Will get back in the queue. Wish you all the best.

Moderator: Thank you. The next question is from the line of Yash Darak from RSPN Ventures. Please go ahead.

Yash Darak: So, yes, thank you for the opportunity. So, first question with regards to accounting of discounts, if you can explain what leads to a reduction in gross margin in the month of December, even historically, and how are discounts accounted in the books?

Karan Bajaj: Sir, can you repeat your question because you are not that clear. Hello?

Yash Darak: Yes. So, my question was with regards to accounting of discounts. Historically also, the gross margin reduces in the month of December. If you can explain how you account discounts and what leads to a reduction in gross margin in the month of December?

Karan Bajaj: Sure.

Premchand Devarakonda: Sir, the sales promotion activities or cashback offers, we roll out during the festive season, that will be adjusted against the revenues. As a result, the net sales realization will come down. So, that will obviously reduce the gross margin.

Yash Darak: Okay, but then what is the sales promotion number in the other expenses if you see? There is a line item on a sales promotion.

Premchand Devarakonda: Sales promotion is the, normally we also participate in the dealer buy-down charges. I mean, that is interest subvention to be borne by the dealer is accounted under the head sales promotion.

Yash Darak: I am sorry. I did not get it, sir.

Premchand Devarakonda: There are two things, sir. Dealer buy-down is nothing but the interest subvention to be borne by the dealer. So, that is shown under the head sales promotion, whereas cashback offers will be knocked off against the sales revenue.

Yash Darak: Interest subvention.

Premchand Devarakonda: Yes, these are two different things.

Yash Darak: Okay, and if you could give me the gross debt, I think the debt was supposed to be reduced by the financial year end, but the amount of interest has increased quite a bit. So, what has led to that increase, and if you would give me the amount of gross debt?

Karan Bajaj: To answer your question, the interest would even contribute from the IndAS 116 which is the adjustment that we do. The interest and depreciation would be a little higher because we keep on adding up stores. So, the rental adjustments and the lease liability is added up in interest and depreciation after EBITDA rather than the expense out on rental income. That is the method that we follow. But in terms of the actual debt, if you want, I can give you a breakdown on that as well. Give me a second.

Sir, if you actually see the term loans that are there versus the borrowing that is, so, there is a decrease in the term loan, working capital requirement, and there is an unsecured working capital loan. There are three different debts that we operate in. Whereas the working capital has gone up significantly is majorly because we started purchasing for the Diwali season, and then eventually that will come down if you compare it to the 31st March numbers and the 31st December numbers. So, there will be a significant decrease there.

If you look at last quarter versus this quarter also, there is a significant decrease there. Whereas the term loan for buying properties has gone up a little bit because we ended up buying a lot of properties and a lot of registration is due for us, which we completed in Quarter 3. That was all the advances that we had given out in the previous quarters as well. So, the term loan would have gone up a little bit. But whereas if you see the working capital loan and the unchecked working capital loan, both have reduced drastically.

Yash Darak: Can you please give me the amount?

Karan Bajaj: Yes, sir. So, from the secured working capital loan, which was at Rs.429 crores previously, it has come down to Rs.322 crores and the unsecured working capital loan has reduced to Rs.1.9 crores.

Yash Darak: So, I guess the total debt is around Rs. 325 crores.

Karan Bajaj: Like in this term loan is also there. I did not tell you the term loan I just told you about working capital. Term loan has increased. Term loan has now gone up to all the properties all put together is around 200 crores. So, the total borrowing if you see on the 31st December, it would be around 530 crores.

Yash Darak: Okay. Thank you, sir. And with regards to guidance, do we still maintain the annual guidance which was earlier given? I think it was around 15%. Do we still maintain it or are we supposed to reiterate or revise?

Karan Bajaj: I think that should be in line with the numbers. So, the growth is around 10.5%, 10.6% to be precise for the first nine months. And then we are looking at a decent growth coming in in Quarter 4. So, in line with what we were expecting, so that should be there. But the bottom-line revision was already discussed in the previous quarters as well because the gross margins got diluted by 0.75% and the expenses up by almost 0.6%, 0.7%. So, we are expecting the bottom line to take a little impact in the previous year. And it will be in line with what we were expecting it to be.

So, we don't see a drastic change there. But we are quite optimistic in terms of what is in future for us, especially looking at the performance in Jan and Feb, and then the other clusters that we are operating, especially Delhi, Telangana, country market, Andhra. And the new stores also that we opened up are performing quite well for us. So, we are in line. There are times where, you know, a company would face a situation like this. But we are quite comfortable, and we are quite optimistic on what is up in store for us.

Yash Darak: Okay, sir. Thank you. Got it. Only with regards to the first question, the interest subvention, which is something I am not really clear about, can I get back to you on that?

Karan Bajaj: I will tell you the number also. So, if you compare the Quarter 3 FY '24 number, which stood at around Rs. 48.3 crore, has increased to Rs.51.5 crores in the FY '25. So, this is basically the dealer buy-down, because most of our sales happen through NBFC, like Baraj Finserv, IDFC, HDB, HDFC. So, what happens is that when a customer walks in, especially during the Diwali period, the price becomes very competitive. And usually, no dealer charges the dealer buy-down.

So, there are two major aspects when financing a case. One is the manufacturer buy-down and another one is the dealer buy-down. So, manufacturer like Samsung, LG, Apple would bear their side of interest, whereas the dealer also is charged a bit. So, the customer gets an absolute 0% interest free EMI. So, usually a lot of dealers would embed that pricing in the cost itself, whereas we don't do that. So, any mode of payment on our store would have the actual discounted price available for the customer, whereas if he opts for a financing option through NBFC, then there is a dealer buy-down charge, which we take it under our hit, you know, as a cost to us. So, that is where that is something directly proportional to the sell-out that we do through NBFCs, just like a credit card charges.

Yash Darak: Okay, got it, sir. Thank you. Thank you so much.

Karan Bajaj: Thank you, sir.

Moderator: Thank you. The next question is from the line of Tanay Shah from DAM Capital. Please go ahead.

Tanay Shah: Yes, hi. Thank you for your opportunity. Just wanted to understand, has there been any improvement in demand across the product categories which we operate in? And given that winters have not been so harsh, you know, have you kind of started seeing some sort of stocking for the summer-led products like, you know, the RACs and all the other smaller appliances as well? So, just wanted to understand on that aspect.

The second question would be in terms of water heaters, what we do, right? So how has the demand been in the previous quarter? And, you know, if you could just kind of give some flavor on that as well.

Karan Bajaj: Sure, definitely, as I told you like the summer has set in a little early here in the region. So, we would see a little higher growth coming in air conditioner and air cooler for us. Usually, we would start off by, say, Feb end, it has already started up right now. So, we have been preponed in 15-20 days. So, that is an advantage that we are looking at as we talk right now.

The demand looks good. Especially mobile phones, that was a little sluggish for the last few quarters. Especially after the S25 launch, we saw good sellout during the first week of February, but obviously whenever new model launches, it is there for a week, 10 days. So, we do not attribute that to the whole quarter. But we saw good demand coming in there as well.

So, premium phones are still doing good for us. So, there is not a slowdown there. The (27:15) appliances, the kitchen appliances overall have started doing very well. And then water heaters and room heaters both did perform really well, especially in the north region during the last quarter, whereas water heaters in Hyderabad are at a single-digit growth, whereas in newer clusters, again across the country, because of summer here, you would see a little slowdown in the going quarters for this water heater and room heater category.

But saying that, now it has become more like a 365-day product. If there is a new apartment or a villa coming up, usually people put in these categories, whereas real estate has been a little slower here in this region for the last few months. So, we would definitely see that kind of an impact. But once everything stabilizes, when the real estate starts picking up and the new home buyers start moving in, not only room heaters or water heaters, but a lot of other categories also see definite improvement going forward in this region at least.

Tanay Shah: So, if I got that right, you are trying to say that we have preponed our stocking for RACs and air coolers much before, like around two to three weeks, and demand is supposedly going to be good. And at the same time, we are saying that water heaters did well in the northern market. Is that right?

Karan Bajaj: Yes, yes, absolutely. And what happens is that we already, irrespective of the season, preponing or postponing, we usually start stocking up as early as January. So, we were all ready for RAC business and air cooler business anyway. But now we have started stocking up a little more depending on the sellout that we will be doing on a daily basis right now.

Tanay Shah: Understood. And the other thing I wanted to know is just sort of a different kind of a question that what percentage of our overall sales would be consumer finance? Like what would be…

Karan Bajaj: 65%.

Tanay Shah: Okay. Got that. Okay. Thank you so much.

Moderator: Thank you. The next question is from the line of Saumil Shah from Paras Investments. Please go ahead.

Saumil Shah: Yes, hi. Thanks for the opportunity. As you mentioned to previous participant, we are in line to achieve our revenue guidance of 15%. So, in terms of bottom-line, can we achieve our previous year's PAT?

Karan Bajaj: Sir, it will be too early for me to comment on that. But yes, definitely, obviously, if you compared to the previous quarters that we have delivered, there has been a decline. So, I can't deny that fact that there was a decline in the PAT levels. But we are trying to improve them. But obviously, you know, we won't be able to surpass with a very big growth number in terms of the PAT margins this year. So, that will be also in line with more or less what we have delivered last year. But we are confident that that would happen, but I can't promise you that it will, you know, surpass those levels and grow much, you know, about that because we have already passed three quarters in this year.

Saumil Shah: Okay. And in terms of guidance for the FY '26, what can you expect in terms of revenue and EBITDA we can reach our earlier guidance?

Karan Bajaj: Sir, next year, see, right now it will be too early to comment on next year again. But with the new store additions that have happened, and the stores are about to get mature, a lot of stores are yet to get matured, and the new stores that we will be opening up next year, I think a 15% Y-on-Y growth should be quite comfortable for us to achieve next year as well.

Saumil Shah: And in terms of EBITDA margins?

Karan Bajaj: Should be in line, sir.

Saumil Shah: In line of this current quarter or the previous quarter?

Karan Bajaj: Sir, the same number that you would do on a regular basis, the percentage-wise, it should be in line with the same number.

Saumil Shah: 15%.

Karan Bajaj: 15% more or less, yes.

Saumil Shah: No, I am talking about EBITDA margins around 7-8%.

Karan Bajaj: Yes, EBITDA margins are at pre-IndAS levels are at 7%, sir, sorry, post-IndAS levels are at 7%, which we look at, say, 1.2, 1.3% lower post-adjustment of rentals there. I think that should be the number that we are looking at, sir, around 7%, 6.8 to 7% comfortably.

Saumil Shah: Okay. And so, my final question, in terms of debt, where can we see by the end of this year?

Karan Bajaj: The debt levels again by the end of this year would again be in line only. What you have seen on 31st March is because of the purchase of summer. So, a lot of advances go out, a lot of inventory is carried. The debt levels will be majorly for working capital only, for the inventory. And once the cycle will go down to the summer end, you would see the decrease in quarter 1 numbers. Because we exit the season by June, the inventory and cooling product reduces drastically, sir.

Saumil Shah: Okay. So, by March end, we can see around 500 crores of net debt.

Karan Bajaj: Lesser than that, sir. And then there will be two cycles, sir. Because your summer is one, one is Diwali. So, by taking these two types of advances, we take up the stocks. So, that is where you will see an increase in working capital for these two quarters. And then the way it is reduced on the 31st December, it is drastically reduced from what it was in the previous quarter.

Saumil Shah: Okay. That's it from my side. Thank you, and all the best for the future quarters.

Moderator: Thank you. The next question is from the line of Dhruv Modi from DSM Securities. Please go ahead.

Dhruv Modi: Yes. So, I have a few questions. Like, the first question is, which brand and specific categories witnessed, like, sluggishness during Quarter 3 of FY '25?

Karan Bajaj: Sir, the categories majorly that you would see, there was not a decline in volume. So, I would not attribute it as a decline in volume growth, whereas the volume growth was, say, a single-digit growth across television, washing machines, refrigerators, the larger appliance category.

But, sir, unfortunately, what has happened, the price didn't increase in those categories. In fact, for the premium products in television, the price has reduced a little bit. So, you would not see a major, you know, I would not say a major degrow there because of volume, but in terms of value. But the categories that outperformed really well were air conditioners. The telephone, mobile phone, other divisions, small appliances did very well. So, these categories eventually contributed to the growth coming in.

But other televisions, air conditioning, washing machine and refrigerator, if they had contributed in line with what the other categories did, then overall larger appliances would have seen a much better number.

Dhruv Modi: Okay, got it. And the other question is, why has our employee cost increased by 29% on year-on-year basis?

Karan Bajaj: Sir, the employee cost majorly for the new clusters that are there because the teams across AP Telangana, Andhra and Delhi have also been increased. So, you would see a little higher expense going up there compared to the previous quarters. Because the team expanded, now, we have got a lot more people in these clusters, especially Andhra also could divide it to a newer cluster because the number of stores there are increasing. There are 15 stores there in pipeline for the coming year. So, definitely we need to increase the team there as well.

So, the costs are all under control in terms of what expenses overall we are looking at. That will be manpower cost, marketing cost or any other cost. Costs which are variable in terms of nature like sales promotion or finance cost are directly, you know, like your credit card charges or NBFC charges, which are directly proportional to the revenue that we generate on those businesses.

But apart from that, all other expenses are all under control in terms of what we expected it to be. So, nothing is in red where we feel that it is in, you know, gone over our expectation. But building a team takes a little time and especially for the newer clusters and all. So, that is the major reason for the cost of employee going up.

Dhruv Modi: Okay. And the last question I have is like, what is our store opening guidance for FY '26?

Karan Bajaj: FY '25, sir, I will give you the Q4 number also. Q4 number, we will add up another 10 stores this year by the end. And then another 35 stores are in the pipeline for the next year, sir. Out of which we might start opening up stores by the first quarter itself. So, 35 stores have already been signed up for the next financial year.

Dhruv Modi: Okay. Thank you very much, and all the rest.

Moderator: Thank you. The next question is from the line of Prateek Poddar from Bandhan AMC. Please go ahead.

Prateek Poddar: Karan, just one small question. The 35 stores which will open next year, what's the split between Delhi, Telangana upcountry and AP?

Karan Bajaj: Sir, around 6 stores in the Delhi NCR region. And the rest of them are in the South region.

Prateek Poddar: And how much is the split of the 29 between, let's say, AP and upcountry?

Karan Bajaj: Sir, Hyderabad would be 3 stores, 15 stores in the Andhra upcountry market and the rest of them are in Telangana upcountry market, sir.

Prateek Poddar: Hyderabad, you said it was three, right?

Karan Bajaj: Yes.

Prateek Poddar: So, around 11 stores in Telangana, upcountry.

Karan Bajaj: Yes, sir.

Prateek Poddar: Okay. And what is the split this year out of the 40 stores? Sorry, just before that, you said gross stores, you will add 10, 12. Does that mean that you will be cutting or, I mean, closing some of the stores or this is the next store add for Quarter 4?

Karan Bajaj: Sorry, no, 10 stores will add up in the next, in this quarter, Jan, Feb, March, and Quarter 4.

Prateek Poddar: That's gross, you said. So, I just wanted to confirm. gross or net?

Karan Bajaj: No, no, net, net, net. Not gross. Gross, totally, we opened around 32 stores this first nine months, no?

Prateek Poddar: Got it. Fair.

Karan Bajaj: We are not shutting any stores, sir. Sir, that time has not come now. When that time comes, I will tell you first. We are doing good. Don't worry.

Prateek Poddar: Surely. Sir, just the 40 stores which you add, maybe can you just help me with the break-up between again same, NCR, Hyderabad?

Karan Bajaj: Yes. So, till now, what we have opened up is around 6 stores in Delhi, 5 stores in Hyderabad. Telangana Upcountry market would be 7 stores, and 14 odd stores in Andhra Pradesh. This is what we opened up this year in the nine months. Jan, we have already opened up 2 stores. Between Jan and last 45 days, we have already opened up 2 stores in Delhi from the 10 stores I am talking about the addition, so including those we are going to open around 5 more stores in Delhi which Janakpuri will open up this week. So, Janakpuri, already the soft launch is done. So, because of the graph there, I mean, because of the pollution being higher there, the construction was stopped for the last few months. That is why it's delayed. Same thing, what happened last year where we opened 6 stores on the 30th of March last year as well.

This will be a similar number this year as well. We will end up opening up the majority of the stores by this week, next week and the last month of this year. So, that is the idea for Delhi NCR. And then few more stores opening up in Telangana upcountry market and Andhra as we talk.

So, the total store addition this year in FY '25 would be around 40 stores, which will take the total store above 200 stores for the group. And next year, again, 35 stores, what we have already signed up for FY '26, where the handover of the property or the construction is under way, where we will start opening up by the first quarter of next year.

Prateek Poddar: Okay. Sorry, just going back. 40 stores, 10 stores are in NCR. How much would be out of this 40 in AP and Telangana? How much is AP? I mean, ex-Hyderabad, I am saying.

Karan Bajaj: Hyderabad would be around the 15 itself.

Prateek Poddar: So, basically this year you have not opened any store in Hyderabad. That's a fair understanding.

Karan Bajaj: Yes.

Prateek Poddar: Okay. And what's the store count of Hyderabad? Last question.

Karan Bajaj: So, Hyderabad store count today stands at 69 stores. That includes all EBOs put together.

Prateek Poddar: That's fair. That's fair. Okay. Thank you. This is very helpful. Best wishes.

Moderator: Thank you. The next question is from the line of Ankit Kedia from Phillip Capital. Please go ahead.

Ankit Kedia: Now, sir, questions from my side. You have given the store level breakup across regions. If I look at profitability, so next year, what are you modeling in terms of margins for NCR region? Given the 9 months, they are pretty much flat today. So, you know, if the growth trajectory is similar to what we have done this year, will we be able to do 6-7% margins for the first 10-12 stores which were there in NCR?

Karan Bajaj: Ankit ji, those stores definitely, yes. if you look at store-wise, EBITDA, or store-wise profitability, gross margin levels, those stores will be at that count. But if you look at the new stores, that will definitely drag down the overall number for NCR. But the mature stores will be all in line. Probably not 6-7% the way it is back home in Hyderabad or AP and Telangana.

It will be down by a percent or two because the expenses there initially would be a little higher, say, your cost of manpower, rental, marketing and all in terms of the revenue that we generate per store, because the productivity per store is much lower compared to the existing market. So, you would look at those numbers being a little high, and the gross margins or the EBITDA numbers at the store level would be down by 1% or 2% compared to the existing market.

But saying that overall number in Delhi, which we have guided that we will touch a certain throughput, it is on par with that. And we are quite optimistic on that region going forward. The new big stores that are opening up 6 of them are all the big clusters like Kalkaji, Janakpuri, Pitam Pura that we opened up recently. So, all are bigger cluster stores and going forward we feel that Delhi should be shaping up quite well for us in FY '26 as well.

Ankit Kedia: Sure. And if I could look at new state entry next year, are we planning any, say, getting into Lucknow's side of the market or it will still be purely NCR next year?

Karan Bajaj: Definitely the existing clusters need more stores. That is why the addition of 35-40 stores in the coming year would definitely be there. But saying that, we even have to look at a balancing act between the existing clusters and newer clusters that we would approach.

There are newer clusters like Orissa, Western UP, probably Lucknow, you know, a part of Haryana expansion that we are doing up, you know, from Gurgaon and Manesar and Rewari and those places. So, definitely the new market that we are looking into, but I am not sure that how soon we will be able to start those operations in those areas because more than that, we want to fortify our existing clusters. And Delhi is a very big market today.

Delhi, we would be ending up at 30-32 stores by next year. We want, you know, by opening up next financial year. We want to be more stronger in that region. So, if it demands for us to open more stores in Delhi-NCR, or periphery of Western UP, we will start that immediately. So, right now, we will end up the year first and concentrate on increasing the productivity in the existing stores and growing in the existing market and then take a step forward in the newer clusters.

Ankit Kedia: Sir, my last question is on commission and incentives. Given that, you know, your growth this year has been a little muted around, you know, just double-digit, do you think brands will give you the similar incentive and commission what you were getting before, given that in South market, predominantly Hyderabad core market, we have in Corona actually declined?

Karan Bajaj: Yes, that is in line. So, that would not change per se. Because see, you are not looking at a degrowth by 50, 70, 100%. You are not looking at a big number change there. You are talking about few digits here and there. So, brands don't take you for a ride for such a growth or a degrowth because see, the growth is coming in the newer market. So, overall contribution that we give out to the brands are in line with what, you know, our contracts or what we promised. So, that doesn't change per se.

But if you keep on degrowing quarter-on-quarter with a much higher number or you stop doing a brand or you stop catering to their product range or anything of that sort of a major decision like that, then that will impact your margin. Not the smaller changes here and there. Because they also understand, right? They understand the market, how it is behaving. And it is not a temporary relation that you create with a manufacturer. That is why we deal with the bigger brands, where our relationships are much stronger than a quarter.

Ankit Kedia: Fair point. And the last question is on mobile handset sales. You know, we have seen a disproportionate increase in mobile handsets, which comes at a lower margin. Are you comfortable at this, you know, 43%, 44%, and obviously 9 months the number is lower? Or, you know, it's just that the demand in mobile handset continues to be so strong that the margin trajectory will be forced to be lower because of that?

Karan Bajaj: Sir, I can't understand your question well. You mean to say that the margins in mobile are going to be lower than other categories? That's what you mean to say?

Ankit Kedia: They are lower. We know that. But do you have a conscious choice to keep a mobile revenue mix at a certain percentage because it's impacting your margins?

Karan Bajaj: Sir, that is beyond our control. So, usually, I mean like the healthier position would be like, you know, any category which makes more money sells better, right? So, that is an ideal situation for any retailer. But you can't demand what sells on the floor. So, if there is a good demand for us on mobile front, we definitely would like to cater to that. And it is not only a short-term product margin that you look at. Mobile on a whole is a bigger category, a much bigger ocean than what it looks like. You know, so why don't we, cater to that audience as well? So, there is nothing that stops us from catering to that audience, irrespective of the margin profile between large appliances and mobile phones.

So, we will be glad to grow in any of the categories that have come our way. And mobile phone is a very big market to grow in. And then eventually a customer walking into your store, let it be audio, built-in, kitchen appliances, small appliances, any category today, you can't shy away from selling it. Because the cycle of a customer is not necessary only for one product category that keeps on coming to your store, right? They are looking at the array of products. So, you got to, as a retailer, focus everything and make sure the customer gets a one-stop solution for everything that he wants.

Ankit Kedia: Sure. That's helpful, sir. Thank you so much, sir.

Moderator: Thank you. The next question is from the line of Rohan Gupta from SQ Securities. Please go ahead.

Rohan Gupta: Yes. Hi, sir. Thank you for the opportunity. Most of the questions are being answered. My only data-related question is when do we expect the Hyderabad cluster SSSG to normalize?

Karan Bajaj: Sir, Hyderabad, SSSG, because of stores being all matured and the productivity per store are very high, so, obviously, this needs to get positive. Not necessarily that Hyderabad will become like a 5%, 7% kind of an SSSG. So, even if it comes down to 2-3% kind of a level, it is good enough for us. This is in line which we see that, it is going to happen going forward. And we are quite optimistic on that. So, there is no worry on that.

Definitely, yes. That is being the largest cluster, the whole balance sheet turns around if that cluster doesn't perform well. But looking at the big days like 26th January that went past by us right now, or the coming times now, I think it looks positive.

Rohan Gupta: Okay, that is helpful. Thank you.

Moderator: Thank you. The next question is from the line of Mehul Desai from JM Financial. Please go ahead.

Mehul Desai: Yes, just for store additions, I missed that part. Can you just reiterate your total store additions that you are looking at in FY '25 on an Excel basis and on FY '26 also? And also, can you split in FY '25 whatever store edition, I mean, stores you end up, how much would be in Core South Market and in NCR region?

Karan Bajaj: Okay. Sir, the addition of stores was around 32 for the first three quarters of this year, or the first nine months, out of which 6 stores were in Delhi NCR, around 14 stores in the Andhra market, and Telangana, including Hyderabad, were around 12 stores.

So, that was the breakup for these 32 odd stores that we opened up this year. And then another 10 stores will add up in this last quarter, Jan, Feb, March, which will take the store count of new addition in FY '25 to around 42, 43 stores. That is the total number. Out of which, Delhi NCRthis whole year would end up around 32 stores, more or less. And the addition for the next year would be around the 35 stores which we have already signed up.

Definitely yes, once we have more stores coming up, because we have a whole year left for us, so they will keep on adding up more stores in the existing cluster. And out of the 35 stores, again you would see around 5 to 6 stores coming up in the Delhi NCR region. And then the rest of the stores equally split between Andhra and Telangana, sir.

Mehul Desai: Okay, sir. Next, in FY '26, you said 35. Only 5 to 6 stores are in Delhi NCR you said, right?

Karan Bajaj: That is what we signed up now. But definitely, yes, because we are already searching for new stores in the peripheries as well, so, as we progress, because we have almost 4 quarters in that whole year left with us, right? So, as we keep on progressing, we will add up stores. And Delhi is going to be the major market that we will be looking into. But it is not easy to find a property in Delhi NCR, right?

Because the major markets have already been covered. And it takes a little more longer time to secure a property up there compared to down south because down south it is more like a newer market that we are opening stores in tier 3, 4 towns. So, it's much easier to get a property at your price or your rental cost for a longer lease whereas compared to Delhi NCR. So, you know, right now at 32 plus another 6-7 stores are getting ready. So, we would look at Delhi NCR shaping up at at least 50 stores by FY '27. That is the plan.

Mehul Desai: Okay. And in this FY '25, how many store additions were done in Hyderabad? So, I mean, when you are saying this 42-43 stores will get added overall, how many stores would have been added in Hyderabad market?

Karan Bajaj: Sir, exclusive brand outlets, multi-brand outlets, all formats put together around 5 stores is what we added up in Hyderabad City.

Mehul Desai: In nine months?

Karan Bajaj: Yes.

Mehul Desai: And any plans to add any more in Q4?

Karan Bajaj: Sir, in Q4 couple of stores are getting so they might come in. There are 3 stores that are getting ready. Especially these are all the periphery markets of Hyderabad city which are like 30-40 kilometers away from the city center where now population increase. So, we are planning to open stores in those geographies also.

Mehul Desai: Okay. So, broadly from this 42-43 store, we are saying 7-8 would be in Hyderabad in FY '25.

Karan Bajaj: No, around 5.

Mehul Desai: For FY '25.

Karan Bajaj: For '26.

Mehul Desai: No, no, I am talking about FY '25. You said in FY '25…

Karan Bajaj: Yes, 5, 5 plus another 2, yes. Around 7 stores, correct.

Mehul Desai: Seven stores, okay. And lastly, can you give some light on how Q4 demand trends have shaped up so far? Is there an acceleration in revenue growth versus what you have seen in Q3? I mean, are we in double digits in Jan and Feb so far or?

Karan Bajaj: That will be too early for me to comment on that. But I can tell you one thing that summer is set in a little early. So, it is looking great for us as a season to start off with. So, nothing disappointing right now. But having said that, it is only the Hyderabad city that has become a little warmer during the day, whereas other clusters for us, especially North and other clusters in upcountry, the weather has not changed drastically. So, we do not see a, you know, a great jump in numbers right now. But the revenue, daily revenue that we look at, what was a little sluggish for the last few quarters, is being a little more on the positive side, I would say that.

Mehul Desai: Okay, got it. That's all for my side. Thank you.

Moderator: Thank you. The next question is from the line of Shrinarayan Mishra from Baroda BNP Paribas. Please go ahead.

Shrinarayan Mishra: So, we are already halfway through the quarter, and I wanted to know the level of discounts and interest subvention which you are giving. Is it similar to 4Q or has it improved?

Karan Bajaj: Sir, the discount structure more or less remains the same. There is not much of a difference there. So, that would remain the same. But in terms of the productivity that we see across categories, that has been positive. So, what was a little sluggish for the last few quarters, I would just like to comment on that. We have seen a positive sign there. So, I would not say that it jumped drastically, but yes, it is much better than what was happening in the previous quarters.

Shrinarayan Mishra: So, the gross margins, we should expect for 4Q to be not that great?

Karan Bajaj: Sorry, I didn't need a question.

Shrinarayan Mishra: Gross margins for 4Q, will it be impacted because of business promotion and discounts?

Karan Bajaj: Not really, sir. So, that is always in line. That is accounted for. So, gross margins are always accounted for the sales promotion and the cost of credit card or NBFC that we bear. So, there is not much of a change there. And that is ideally so, the overall value might look higher or lower depending on the revenue that we generate because it is directly proportional to the revenue that we generate. But in terms of percentage, it is in line with what we have been doing in the previous quarters as well.

Shrinarayan Mishra: Okay, and much of these will be in South Cluster, right? North, we won't be giving much of the discount.

Karan Bajaj: The discounts across the country more or less remain the same. So, depending on what product category or what is the demand in the market for that particular season is how discounting is increased or decreased. But across the country, it remains the same. So, not much of a difference there. And definitely, yes, because South Cluster is the largest cluster, so whatever small change, positive or negative, you see in the South Cluster would impact the whole balance sheet because the contribution from the North Cluster is hardly negligible.

Shrinarayan Mishra: Okay. And lastly, the second question. So, do you see some behavioral, I mean, are the NBFCs willing to land now or they are still on the backseat and we see pressure in landing?

Karan Bajaj: Sir, actually, if you see, the lending in our industry has always been very matured compared to a lot of other asset lending classes that they have across the industry, whereas here, the CIBIL scores have to be higher. The documentation is much more stringent. Though the net value is much smaller than a lot of other loans that they disbursed, but we have never seen a direct impact on lending per se. And then because we have almost four to five major NBFCs that we play around with, earlier, I think that would impact the minority of the approvals that come our way. But the majority of them should not have a problem because we definitely have a huge cluster base in Hyderabad. But whereas in Telangana upcountry market or Andhra upcountry market, you would see a little impact due to the credit scores or the credit approval rate being a little different there.

Shrinarayan Mishra: Okay, that answers my question. Thanks.

Moderator: Thank you. The next question is from the line of Rajiv Bharati from Nuvama. Please go ahead.

Rajiv Bharati: Yes. Good afternoon, sir. Thanks for the opportunity. Sir, with regard to your Hyderabad market, just can you specify the number you clocked in Hyderabad and also the IndAS EBITDA?

Karan Bajaj: Sorry, the EBITDA number for Hyderabad City?

Rajiv Bharati: Yes. And the revenue number also for the quarter.

Karan Bajaj: Okay. So, sir, the revenue number from Hyderabad City was Rs.1,079 crores for FY '25 Q3 versus Rs.1,095 crores last year. And the Telangana upcountry market was Rs.272 crores, Andhra was Rs. 247 crores, and Delhi NCR was around Rs.128 crores for the last quarter.

Rajiv Bharati: Yes. Can you specify the EBITDA pre-IndAS for Hyderabad?

Karan Bajaj: So, the EBITDA number would be around 7.4% for the cluster down here. And Delhi would be around 0.15%, 0.2%, that kind of a number.

Rajiv Bharati: And this 7.4%, is there an expansion on Y-o-Y basis or not?

Karan Bajaj: So, Hyderabad, if you again break that down into Hyderabad, you would see a little decline there, to be frank. And whereas Telangana upcountry market and Andhra would be on the higher side compared to the Last year The highest EBITDA that we would generate would be in the Telangana upcountry market, which would be around 8%, 8.2%, approximately, whereas it would be a little lower in the Andhra, and then the lowest in the Hyderabad city market.

Rajiv Bharati: So, let's say a year back, this raised a 7.4% number.

Karan Bajaj: So, it would be up by, you know, 0.2, 0.3 basis.

Rajiv Bharati: In Hyderabad, it will be down by 0.2%, is it?

Karan Bajaj: Yes, yes.

Rajiv Bharati: Yes. And just one question was asked regarding this incentive income. So, last year, on a full-year basis, you clocked Rs.250 crores incentive income, right? So, what is this number, for example, for the nine month and how has it grown?

Karan Bajaj: Nine month, we would see a little lower number this year is because from the last couple of years, incentive will come now. Most of them, so, incentive is basically your sell-in, sell-out support, you know, your marketing support or other heads that you get around 12, 13 heads that you would receive this money in. So, that number from say last year, for the first nine months it would be Rs.199 crores, has reduced by say Rs.5 or Rs.6 crores because that number has now been embedded in the invoice itself.

So, lot of companies like cash discounts or wherever they can, they are trying to embed that in the invoice itself rather than the over and above sell out support that they used to give out earlier. So, though the margins overall number remains the same, but the accountability part of it which was supposed to come in the incentive now has been embedded in the invoice itself.

Rajiv Bharati: Yes, but then the percentage margin should increase, right?

Karan Bajaj: Technically it should, but there is a difference of Rs.5 crores. So, there is not much of a difference there.

Rajiv Bharati: Okay.

Karan Bajaj: So, on Rs. 5000 crore you would see the difference of only Rs. 5 crores.

Rajiv Bharati: Great. Okay. That's all from my side. Thanks a lot.

Moderator: Thank you. The next question is from the line of Deep Shah from Equirus Securities. Please go ahead.

Deep Shah: Hi, sir, thanks for the opportunity. Sir, just wanted some clarification. So, you mentioned that you have maintained 15% top line guidance for FY '25. So, it means that you will be growing by roughly 25 odd percent in the 4th Quarter. Am I right or am I missing something over here?

Karan Bajaj: It should be, yes. So, you are absolutely right. So, we are optimistic on that number. But see, end of the day, it all matters, depends on the summer setting up a little early or the summer supporting. So, if March 2nd week if it starts pouring in Hyderabad, I can't have the control over it. But to what it is going on right now, we are looking at a trajectory of at least 21-22% right now of growth coming in with that category at least. So, that is the number that we are looking at for February coming forward.

So, I think they are quite optimistic on that. And then depending on how the summer session becomes a little hotter during March, the second week, third week or starts pouring, that is when, you know, we will have to look into that number because the summer category majorly drives through the weather as well. But right now, things look good. So, definitely it has to be on a higher average than what we have done in the Quarter 4 and last year so that we achieve that overall number of 15% Y-o-Y.

Deep Shah: Okay. And secondly, sir, you mentioned about 10 to 12 odd stores in 4th Quarter, store opening in 4th Quarter and roughly 35 stores in FY '26. So, all the stores will be MBO or should we expect any EBOs also opening?

Karan Bajaj: All MBOs, all MBOs.

Deep Shah: Okay, sir. Got it. Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I now hand the floor over to the management for closing comments.

Karan Bajaj: Thank you everyone for joining the call. And I hope that we were able to answer all your questions. And for any other further queries, you may get in touch with Mr. Deven Dhruva from SGA. And we will be happy to address all your queries. Thank you once again.

Moderator: Thank you very much. On behalf of Electronics Mart India Limited, that concludes this conference call. Thank you all for joining us, and you may now disconnect your lines. Thank you.