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: <u>Disclosure of transcript of Earnings Conference Call for the First Quarter ended 30th June 2024 held on 09th August 2024.</u>

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 Friday, 09th August 2024, to discuss the Un-audited Financial Results for the First Quarter ended 30th June 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: 2024.08.13 17:20:55 +05'30'

Rajiv Kumar
Company Secretary and Compliance Officer

Date: 13th August 2024
Place: Hyderabad

"Electronics Mart India Limited

Q1 FY25 Earnings Conference Call"

August 09, 2024

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 10th August 2024 will prevail.

MANAGEMENT:

- MR. KARAN BAJAJ – PROMOTER AND 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 Electronics Mart India Limited Q1 FY25 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 touch-tone phone. Please note that this conference is being recorded.

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

Karan Bajaj: Thank you. Good evening, and a very warm welcome to everybody present on the call. Along with me, I have Mr. Premchand Devarakonda, our CFO. We have uploaded our results and investor presentation for the quarter-end Q1 FY25 on the stock exchange and the company's website. Hope everyone had a chance to go through the same. We begin the year on a strong footing, aided by our increasing presence in key markets where we operate.

Revenue from operating grew by 17.3% year-on-year. EBITDA grew by 18.3% on year-on-year basis, with margins remaining stable at 7.8%. On a Pre-Ind AS basis, we have done margins of 6.3%. During the quarter, we've driven a strong uptick in consumer spending due to a hot summer season. We've witnessed robust growth, particularly from the compressor product segment, which includes air conditioners, coolers, and refrigerators.

This demand was further boosted by the heat wave which occurred in India during the same period. At EMIL, we have always had a strong focus on inventory management and we are fully capable of sufficing the elevated demand due to our effective inventory management. Large appliances continue to remain a significant contributor to our revenue.

As of June 24, large appliances contributed 53% to our revenue, with mobile and small appliances contributed 35% and 12% respectively. In Q1 FY25, we have opened 10 new stores. Our store count at the end of June 24 stood at 170 stores total, out of which 157 stores are multi-brand stores, and 13 are exclusive brand outlets.

As of date, we are present in 66 cities across 4 states. Currently, in the Delhi NCR region, we have 24 stores, in Andhra Pradesh, 44 stores and in Telangana 101 stores, and one store of Kitchen Stories in Kerala. Moving to working capital, we have seen a jump in working capital in March due to our increased inventory anticipation and a strong demand in the upcoming summer season.

But as of June 24, this has reduced and it is below 50 days. As mentioned earlier, our inventory levels will always be higher during the two quarters of September and March due to the festive season and the summer season. We continue to remain committed to cash flow driven growth and we will keep working on further optimizing our inventory and supply chain.

SSSG for Q1 FY25 stood at a healthy 8.6%. I am also happy to share that we continue to remain EBITDA positive in our north cluster with EBITDA margins of 2.6%, which can be significantly scaled up further as we grow our base of operations in that region. Our strategy remains centred on solidifying our presence in existing markets before venturing into new territories. Tailoring our product assortment and maintaining a diverse portfolio are crucial to enhancing visibility, strengthening brand recognition, and achieving deeper market penetration while expanding our customer base.

We at EMIL place great importance on understanding local market dynamics to ensure sustained profitability and growth. Delivering a unique shopping experience with an extensive range of electronic products continues to be a top priority for us. Looking ahead, we plan to open around 25 new stores in this upcoming financial year, anticipating a robust double-digit growth in revenue for 2024-2025.

Our strategy includes optimizing store operations and enhancing inventory management to maintain cost competitiveness. Furthermore, we will expand our reach in select geographies and reinforce our footprint in existing markets, all while nurturing and building partnerships with leading brands. With this, I request Mr. Premchand Devarakonda, CFO, to update you on financial performance. Thank you all.

Premchand Devarakonda: Thank you, Karan Sir. Good evening, and a warm welcome to all the participants. Let me begin with the Q1 FY25 financial overview. Our revenues for the quarter stood at INR1,975 crores as against INR1,685 crores in Q1 FY24, with a growth of 17.3% year-on-year. EBITDA for Q1 FY25 stood at INR154 crores as against INR130 crores, with a growth of 18.3% year-on-year. EBITDA margin for Q1 FY25 stood at 7.8% as compared to 7.7% in Q1 FY24. PAT for Q1 FY25 stood at INR72 crores as against INR60 crores, with a growth of 20.3% year-on-year. ROCE and ROE on an annualized basis for Q1 FY25 stood at 28.6% and 20.1% respectively. The working capital days as on 30th June 2024 stood at 50 days.

The gross debt and net debt to equity stood at INR0.2X and our net debt to EBITDA stood at INR0.36X. Pre-IND AS cash flow from operations stood at INR479 crores. For Q1 FY25, SSSG stood at 8.6%. With this, we can now open the floor for questions. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. Our first question is from the line of Mehul Desai from JM Financials. Please go ahead.

Mehul Desai: Sir my first question is basically on the Delhi performance. Obviously, we have seen some improvement and profitability here. If you can help me with SSSG growth in Delhi for the growth, I mean for the stores, I think 7 to 8 stores which were opened during the launch. How have they performed in this financial, in this quarter and how is the margin of those stores which were initially launched those 7 to 8 stores?

Karan Bajaj: Okay, Mehul, firstly, I will ask Prem sir to give you the complete details later on offline because right now, I would not have the sheet with me. But just to give you a broader number, you would see the stores have been all positive there and the major contribution would be coming in from in terms of the profitability as well as the sales would be coming in with the first set of 8 stores that we launched on the 14th August 2022.

All of these stores are on track on doing INR30 crores plus mark that we had initially targeted for these stores. So I would say that these stores are on track and all positive, EBITDA positive. Whereas you would see a major growth coming in from these stores and the contribution that happened which are 96% growth from the Delhi region, 6 stores were actually opened on 30th of March which then contributed to a certain number during the summer period. But because of the first set of 8 stores that were launched in August 2022 they contributed a higher share of cooling products during the summer period.

Mehul Desai: Okay. Understood. And secondly how has been the performance in your key market of Telangana in terms of revenue?

Karan Bajaj: So, Telangana and Andhra both have done really well especially the upcountry market. So Andhra Pradesh on a whole has grown up by almost 45%, 50% kind of a number same thing with Telangana upcountry stores. Whereas Hyderabad has a cluster where we have the maximum number of stores and a very high market share.

That particular cluster has grown by almost around 4.5% because it stands on a very high base. So there and then we didn't open any new stores in the last couple of years, Mehul, that is where you would see a lesser growth coming in from the bigger geography that we operate in versus new geography that we rented in the past few years.

Mehul Desai: And lastly on this North region store level profitability of 2.3%, by when do you think we can touch this 5% kind of number? Are you targeting it in FY26-27, or what is your estimate that when these can be at 5% kind of EBITDA?

Karan Bajaj: Mehul, firstly it would be too early to comment on it right now that when exactly it would be, but we hope it happens as soon as possible because we have seen the first set of stores doing really good for us. Then what happens is that those set of stores that are delivering profit, there will be a little drag in from the number of stores that we would open up. Like for example, before Diwali we plan to open another 5 or 6 stores.

These are all big stores. So the denominator itself being lower, there will be a higher drag on the total profitability for that cluster in the coming times. So we would look at this stabilizing at least by 26 that is what the plan is and say by FY27 or 28 then we should be looking at the similar kind of numbers that we would get back home in Hyderabad.

Mehul Desai: Okay. And store addition guidance of 25 to 30 stores remains intact, right?

Karan Bajaj: Correct. That was the initial plan of 25-30 stores. Out of this, 10 stores we have already been launched in the first quarter across the region that we operate in. 25 more stores are getting ready across the region. So hopefully this financial year we will end up very comfortably doing around 30-plus stores.

Mehul Desai: 30-plus stores. Understood. Got it. Thank you so much, sir.

Karan Bajaj: Thank you, Mehul.

Moderator: Thank you. Our next question is from the line of Raj Malhotra from HM Financials. Please go ahead.

Raj Malhotra: Thank you for the opportunity, sir. So my first question was, can you please share the sales growth between sub-segments within the large appliances category?

Karan Bajaj: Yes, sure. ACs grew by 50%, refrigerators grew by around 8.5%, washing machine there was a growth of around 2.5%. That was a large appliance category that we will look at, and television grew by around 8.5%, 9%.

Raj Malhotra: Okay. Got it, sir. I had a second question. Second question was which cities would you be targeting in terms of Tier 1, Tier 2 and Tier 3 cities within the North cluster?

Karan Bajaj: Right now, we are operating in NCR. The initial plan was that we would start our operations across the geography of NCR. So that would be -- I would not consider them as Tier 2, 3 towns, but a store which would be considered as Tier 2. Say, for example, we are planning to open a store in Najafgarh, Nangloi, Burari. Those are peripheries of the NCR region. They would be considered as a Tier 2 town only for us, you know, technically, in terms of the portfolio of the product mix in that particular store. Whereas, Rajouri Garden, Lajpat Nagar, Janakpuri, and Pitampura would be all considered as a Tier 1 or a main primary metro store kind of a concept that we would look at.

Raj Malhotra: Okay, got it. And, sir, I had a follow-up question on my first question. You mentioned it in terms of overall growth, but I wanted in terms of SSSG for large appliances.

Karan Bajaj: Sorry, I didn't get your question. You wanted…?

Raj Malhotra: When I asked my first question, you mentioned about overall growth, but I wanted in terms of SSSG growth for large appliances. If you could please…?

Karan Bajaj: SSSG growth for large appliances, okay. I'll give you that number in detail as well. So the Hyderabad cluster, you would have seen a growth of almost around 7% to 8% on the cooling products across categories that would be ACs, refrigerators and coolers, right? Because of the base being very high, you look at that number.

If I look at, say, a Delhi cluster, that number for the first set of eight stores would look somewhere around 80% growth because the base was quite low. And if I talk about Andhra Upcountry and Telangana, upcountry stores, the SSSG for a mature store, which is operational over one year, you look at a number of around 30% approximately.

Moderator: Our next question is from the line of Pooja Mehta from JC Securities. Please go ahead. The line from Pooja ma'am has been disconnected. The next question is from the line of Drashti from Thinqwise.

Drashti: So my first question would be, so you mentioned in the presentation that the same-store sales growth is 8.6%. Whereas in last year, quarter 1, '25, our same-store growth was 13.6%. And in fact, quarter 1 is typically high on the cooling products. And this time, the entire industry has done extremely well on the cooling products.

Now, Hyderabad, I understand is a big market for us, where you just mentioned that the SSSG growth was 7% to 8%. But other parts of the country, our SSSG growth itself was very, very high. So I'm trying to understand why that overall SSSG growth is so low, like at 8.6% despite the AC market doing so well and our other markets also doing so well? That would be my question.

Karan Bajaj: Yeah. how we would look at it is that our SSSG would contribute to multiple categories, which have a very high base. Say, for example, mobile phones, they contribute around 35% of the total top line, televisions, kitchen appliances, then you have washing machines, home theatres all at the same time. So when I look at this breakup compared to the other players, smaller, bigger players in the market, where the base is smaller.

If I give an example of a Delhi or our Andhra upcountry stores, or Telangana upcountry stores, you would look at a much higher number than the competition is because the base was lower. And on that base, when you add up, I'm talking about only SSSG for matured stores, not even the new stores added to that particular cluster. Then you would look at a much higher number, say, INR175 crores in Telangana upcountry did almost INR250 crores, which is almost a 40% jump there.

Same thing with Andhra Pradesh, we did INR2,236 crores last year versus INR354 crores this year, which is almost a 50% jump in that particular cluster. So when I look at that cluster, which has a smaller base, you would look at that jump number being very high in terms of the absolute percentage. But internally, we would also look at the absolute value of growth that has come in. So, that is equally significant for us to look at when we grow, right?

Drashti: Understood, sir. So would that mean that this 8.6% is the value growth? So would that mean that the premiumization theme that we were looking at actually in those summer products has not played out that well and people are not -- so maybe the pricing has not increased or the premium product sales has not increased. Would that also mean that?

Karan Bajaj: Yeah, for cooling products, what happens is that cooling the maximum premium, you can talk about a 3-star and a 5-star. That would be the higher differentiation in that. And that also, the gap within the last few years has come down. So today, a 3-star and a 5-star would actually wouldn't be at a higher price difference than more than 4% or 5% in terms of absolute value. And plus with the PLI schemes coming in, a lot of aggressive manufacturers have not increased their pricing this season as well. You will not see an absolute value growth coming in. The quantity has increased mainly. So you will see more of volume growth compared to a value growth coming in this season.

Drashti: Understood, sir. Sir also, in our presentation, we mentioned that summer product sales, which is typically April to June, last entire year was INR1,700 crores. So would that mean that the large appliances sales which come in the quarter, which this quarter was around INR950 crores. So this is what I was not able to understand that the large appliances sales was INR982 crores. But the April to June quarter, we mentioned last year was INR1,700 crores. So if you could just help explain that discrepancy?

Karan Bajaj: One second. If you can just repeat your question once again, please. I just do not understand it clearly.

Drashti: Yes. In your presentation page number 28, you mentioned the summer season revenue. So April to June, which is the quarter one. So, which would mean that the entire quarter one large appliances sales would be the summer season sales. But here the number is INR1700 crores for last year. Whereas, our quarter one sales for last year was INR828 crores. So, what is this discrepancy or?

Karan Bajaj: Last year, quarter one, this number was, so the total quarter number for FY '24, you are saying last year, right? So that was around INR1651 crores. Sorry, that was around INR1600 crores for Q1 versus, say, approximately INR1900 crores this year, which for cooling products specifically was INR780 crores last year versus INR982 crores this year.

Drashti: Okay. Because here, you have mentioned summer season revenue April to June specifically between the quarter one and that is INR1700 crores. So that is what I did not understand. What was this discrepancy?

Karan Bajaj: I hope I am clear to doubt or you want to understand better with the team later on?

Drashti: Sure, We can take this offline. Thank you. And so my last question would be, so we have trade receivables of INR180 crores but ours is a retail store. So, which means that cash is typically, the transaction is on cash and not trade receivables. Understand that this trade receivables would relate to our wholesale book but our wholesale revenue is only INR60 crores. So, what explains this high trade receivables for us?

Karan Bajaj: Yes, RCA for Prem sir would like to answer this please.

Premchand Devarakonda: Ma'am, actually this trade receivables are the amounts due for settlement by the banks and NBFC. It is not mainly on account of the wholesale sales. Normally the turnout, the settlement takes in case of NBFC sales that means when the customer allows the NBFC credit so that settlement takes 3 to 7 working days. So, those are the amounts due from the NBFC, and the second thing is the due from the credit card settlement and third thing is we will have the credit. I mean, we earn a lot of credit notes that is incentives, which are accrued on the cut-off date but the settlement happens in the subsequent quarter.

Drashti: Understood, sir. So, of this INR181 crores, INR40 odd crores is more than six months. So, would that be related to the wholesale business?

Karan Bajaj: So, Wholesale would not be of that much. So wholesale business itself is not that big, so that would be pertaining to the credit note income that we would be getting, and so we would accrue this income whereas the schemes would be quarterly, annually and biannually so for which until and unless and we don't actually receive the amount in realization from the companies, we don't take them in our books until and unless and we will show them as receivables.

Drashti: Understood, sir. Thanks.

Moderator: Thank you. Our next question is from the line of Shreya from Anand Rathi. Please go ahead.

Shreya: Hello, sir. Thank you for the opportunity. So, my first question is like what is the difference between on the store economics in NCR region and versus in AP and Telangana and my second question is like how what is the strategy to deal with competition in NCR?

Karan Bajaj: Okay, so the store economics in terms of the capex and the opex of the store. So, capex more or less remains the same in all the geography in the country until and unless we are cutting down on the size. So per square foot rate would remain the same, whereas the size might vary.

Usually, we look at a 10 000 square feet store so the capex might vary for a 8,000 versus a 10,000, 12,000 square feet store. So that would be on a broader level for capex expenditure whereas in opex and running of the store we would look at targeting at least INR25crores, INR30 crores wherever we open a store for year one so that is how we do our math that our rentals should be around 2.5%, 3% year one manpower under 2%.

So the cost of running the stores back home in Hyderabad, say, because the stores are mature now, it would be around, say, 6% to 7% of store operational costs, whereas in Delhi, it would be around 10.5%, 11% today, initially because the stores would increase a certain productive rate and then from there on, come down to a similar level of margins or expense that you would look at back home.

And on the second question in terms of the competitive scenario, why we entered Delhi was because it runs on a similar product category of the brands or the product mix is very similar to what we do back home. So we would have in terms of differentiation our USP has never been pricing, so we never go out to compete on pricing but we would like to showcase more of premium, better store locations, the display would be a little more enhanced in terms of the categories that we would display on store, bringing more technologies on the floor everyday work with exclusive brands or more international brands rather than getting our private labels and exclusive licensing deal.

That has been the philosophy of the company, and that is how we feel that few of these competitive edge that we have over our competition would help us grow better because Delhi itself is a very big market and the consumption is going to be used in premium there

Shreya: Understood, sir. Thank you.

Moderator: Thank you. Our next question is from the line of Yug Modi AP Capital. Please go ahead.

Yug Modi: Yeah, hi sir, thank you for this opportunity. Sir, how is your EBITDA margin guidance for the NCR region for the full year and overall pre-Ind-AS EBITDA margin guidance?

Karan Bajaj: Sorry, can you go a little slower please? Second question, I didn't understand.

Yug Modi: What will be our overall full year pre-Ind-AS EBITDA margin?

Karan Bajaj: For NCR or for the total group you're saying?

Yug Modi: For both, sir.

Karan Bajaj: Okay, so NCR, so overall number that we're looking at pre-Ind-AS would be around 6%, 6.5%. That is what we're looking at. And post-Ind-AS, it would be around 7.5%, 7.8% kind of a number.

Yug Modi: Sir, how much growth have we seen in our sales excluding the compressor products?

Karan Bajaj: Except in Q1 you're saying the sales growth for other categories, except compressor products?

Yug Modi: Yes, excluding compressor products?

Karan Bajaj: So mobile and IT would be around 10% to 12%. That was the number that was the growth for that quarter one for that category and around a similar number for televisions.

Moderator: Thank you. Our next question is from the line of Manoj from Equirus Capital. Please go ahead.

Manoj: Yes, thanks for the opportunity sir. So, my question here is, if you look at the gross margin profile during the quarter, we have improved by roughly around 30 basis point on Y-o-Y basis, despite larger appliances growing significantly faster versus the other product categories. Are we seeing any incremental price competition in the industry, probably in the North markets more? Because if you look at this year, it was a dream run when it comes to the compressor driven product category. So, ideally, we could have done better. But, can you throw some light on how situation is at the ground level with regards to competitive scenario?

Karan Bajaj: Manoj ji, two things. Very correctly, you said that though there was an increase of almost 0.3% in the gross margin levels and that would majorly get attributed towards the cooling product increase in sales in the product mix during that quarter. But, unfortunately, summer in Hyderabad, that is where our biggest base is, didn't pan out for a whole of 90 days.

It was just majorly for 30 or 40 days of the first beginning of the season, whereas the second half of the quarter contributed well from the Delhi-NCR region during the heat wave. And then again, the base being smaller there, though we could see 100% growth in that region for cooling products, the actual contribution on the top line was negligible. So, whereas the other categories also equally contribute.

So, if I would say that the other way around would be that the third and the fourth week of June actually didn't perform really well in the existing market where we have a really big base. So, all put together is the number that you would see. But then overall, you said very correctly, like NCR being a newer region for us with limited stores that we operated, we did well.

But again, there is a huge scope of growth there in the coming time, because the markets are all of newer customers expanding and opening, you know, a new store there. That is what the plan is. Once we do that, once we establish, we would see a major chunk coming in the next couple of years from that region, especially during the cooling period, the cooling product compressor sale period, that is Q1.

And then maintaining the base in Hyderabad is what is epitome here, because that we are sitting on a very huge base in the southern region. So, I think overall, once with the new clusters coming up where Andhra, Telengana, upcountry stores and all of those other clusters that we now expand and grow, we start contributing on a higher number, then you would see, you know, a change coming in in the future as well. We will see probably a higher growth coming in and you would see correctional margins that would be coming in the next two to three years.

That is what we look at right now. And on the second question, for growth, definitely yes. We are striving to work harder, deliver much better numbers. Obviously, competitive scenario is there. We're talking about cooling products being sold from every mom-and-pop store, whereas in the cooling season, it is more to do with the supply and the installation deliveries rather than the pricing itself. So, the competitive scenario was less on pricing, discounting and more on the availability of products in the region, faster deliveries, strategically locating our warehouses, inventory management. These are the points that would help us sell better during the cooling season.

Manoj: Correct. So, my question here, again, second question would be on the store metric. So, if you look at the southern stores, obviously, they are far more profitable. But do you expect, given the north markets would be somewhat different to our core markets, even there the margin profile or the profitability level should be similar to southern markets or probably that could be a tad lower, given the competitive scenario over there. And so, any broad indication on the profitability levels between the two markets?

Karan Bajaj: Right. Manoj Ji, again, correct understanding that our different geographies would be different for gross margins and especially for cooling products or products which get desperate to give out margins to all small and pop dealers or anybody online, offline. So, we have to be very careful on this branch you work with. That's why very selective brand is what we display on a storefront so that we can maintain our margins across categories and retain our gross margins.

Right now, we don't see a major change in gross margin levels between our northern cluster and our southern cluster. It would all remain more or less in the similar line, whereas the expense in that particular cluster would be a little higher initially compared to what we do back home. So, once the stores get matured and start increasing their productivity, we will look at a similar expense ratio as well.

Manoj: Lastly, we obviously understand the growth trajectory in terms of new store openings into north markets. So, can you elaborate a bit in Andhra market, the reason why we have sharpened our focus over there? I know you have spoken about this in the past, but can you just reiterate like what are the key reasons that we are able to see that we are going aggressive into AP market as well? And what is the growth potential, how we see this market evolving in the next 5-10 years? That would be helpful, sir.

Karan Bajaj: Right. Manoj, AP always was on cards for us to expand and grow, but basically, we wanted to do an organic approach. If you look at our competition there, a few of the bigger retailers out of single individual cities would have, say, a player out of Guntur has 10 stores, where we had only one store earlier. Vijaywada, somebody's got 10 stores. We had two stores. So, every city, Nellore is very big, Vijaywada, Vizag.

So, the thing with Andhra Pradesh, the market size is very big, but again, fragmented between different cities and almost 10-12 big cities, large cities, where we started with one-one store each few years back and we wanted these stores to mature, stabilize, and then we wanted further down, then expand into the other clusters and areas, cities where we were not available. That is why you would see a higher jump coming every quarter in that particular region.

From last year, Q1, we were at 30 stores. This year, we were at 44. Last quarter, FY, 24, Q4, we were at 41 and increased three more stores in FY, in Q1, FY, 25. So, another 10-12 stores are in the pipeline coming in for that particular region, because not only untapped markets are getting opened now, but along with existing stores, where Vijayawada, Guntur, Nellore, Vishakhapatnam, those cities also have added two or three stores.

So, you would see both existing markets as well as new markets coming up. That is why for the next couple of years, you would see rampant growth coming in Telangana upcountry market as well as for the Andhra upcountry market.

Manoj: Correct, sir. So, that was very helpful. Thanks a lot and wish you all the best.

Karan Bajaj: Thank you, Manoj. Thank you.

Moderator: Thank you. Our next question is from the line of Ashish Raut from ZK Securities. Please go ahead.

Ashish Raut: So, very good evening, sir. I have three questions to ask. So, the first question is, what growth rate should we expect in our average ticket size for the upcoming years?

Karan Bajaj: Okay, Ashish ji, growth rate for ticket size, I think, except few categories, it will be difficult now because everything getting manufactured in India and market getting competitive, especially for the premium products, we would not look at a major growth in the prices until and unless there is a technology change. Like for example, a 75-inch ultra HD television would cost you INR1.5 lakhs, whereas a QLED would cost you INR2.5 lakhs.

So, until and unless there is an 8K television that comes in that particular segment, where the price or the ASPs would increase to INR3.5 lakhs-INR4 lakhs rupees, that is where we would see an increase in price. But apart from that, we would actually see the volume growth coming in rather than an absolute value growth in those particular ASPs or categories.

Ashish Raut: Okay. And the second question is, how much inventory do we stock up in new stores which are yet to be fully operational?

Karan Bajaj: The inventory, how we do it is over the counter products initially, yes. The newer stores will have lower productivity. So, for the over-the-counter products where the stocks have to be available at the store like kitchen appliances, small appliances, IT products, accessories, laptops, 32-inch televisions, 43-inch televisions, these kind of categories are kept one is to one, one is two kind of a ratio. And once the productivity of the store increases and we know the throughput or the potential of the particular store, then we increase the inventory at store for those particular products.

Ashish Raut: Okay. Understood. And lastly, what has been our same store sales growth in the NCR? Sorry, which region? So, what has been our same store sales growth in the NCR?

Karan Bajaj: Sorry, which region?

Ashish Raut: So, what has been our same store sales growth in the NCR?

Karan Bajaj: In NCR, sir. the NCR for the first set of eight stores that we had opened up, those stores are upwards of 70% growth, sir. And then that is nothing to be proud on that or I would not say that 70% is something that you do not look at as a benchmark number. But the cooling season did very well this year. Then last year, it was not that high. So, that is why you would see that such a big number growth coming in for that particular SSG there.

Ashish Raut: Okay. Thank you, sir. Thank you. All the best.

Karan Bajaj: Thank you.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Karan Bajaj: Thank you, everyone. I would like to thank you all for joining in the call. I hope we were able to answer all your questions. And for any other further queries, you may get in touch with the CFO or team or Mr. Deven Dhruva from SGA. And we would like to address all your queries here on. Thank you very much.

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