

To,  
Listing Manager,  
The National Stock Exchange of India Ltd.,  
(Through NEAPS)  
**Symbol: EMIL**  
**Series: EQ**  
**ISIN: INE02YR01019**

The Secretary,  
BSE Limited,  
(Through BSE Listing Centre)  
**Scrip Code: 543626**

Dear Sir/ Madam,

**Subject: Disclosure of transcript of Earnings Conference Call for the Third Quarter and Nine Months ended 31<sup>st</sup> December 2025 held on 09<sup>th</sup> February 2026.**

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, 09<sup>th</sup> February 2026, at 04:00 P.M. IST to discuss the Un-Audited Financial Results for the Third Quarter and Nine Months ended 31<sup>st</sup> December 2025. The same is also available on the website of the Company at the below-mentioned link:

<https://investors.electronicmartindia.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**  
Company Secretary and Compliance Officer

Date: 12<sup>th</sup> February 2026  
Place: Hyderabad

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“Electronics Mart India Limited  
Q3 and FY '26 Earnings Conference Call”  
February 09, 2026



**MANAGEMENT: MR. KARAN BAJAJ – CHIEF EXECUTIVE OFFICER AND  
PROMOTER – ELECTRONICS MART INDIA LIMITED  
MR. PREMCHAND DEVARAKONDA – CHIEF FINANCIAL  
OFFICER – ELECTRONICS MART INDIA LIMITED  
STRATEGY GROWTH ADVISORS, INVESTOR  
RELATIONSHIP ADVISORS – ELECTRONICS MART  
INDIA LIMITED**

**Moderator:**

Ladies and gentlemen, good day, and welcome to Electronics Mart India Limited Q3 and FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

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 the date of this call. These statements are not guarantees of the future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Karan Bajaj, CEO and Promoter. Thank you, and over to you, sir.

**Karan Bajaj:**

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 31st December '25 on the stock exchange and the company's website. Hope everyone has a chance to go through it.

The quarter began on a positive note with the festive season with Diwali falling in October alongside the implementation of the GST rate cut during the period. While our sales mix remained broadly in the same line with the same period last year, demand across categories, particularly in large appliances, was supported by the GST reduction and further aided by festival-led consumption.

Importantly, on festival to festive comparison, we delivered robust growth of approximately 25%, indicating a strong underlying demand. At the same time, we saw operating leverage play out, resulting in an improvement in operating margins.

Despite the continued additions of new stores, overall, the absence of a prolonged festive season, we delivered a steady growth performance with the GST cut providing an additional tailwind to consumption trends.

During Q3 FY '26, we added 4 new stores, 2 in NCR region and 2 in Andhra Pradesh. I would like to highlight that our Andhra Pradesh market has seen a strong recovery, delivering approximately 14% growth in Q3, and we continue to grow our market share.

Over the last 2 years, we have added nearly 100 stores, which now account for approximately 50% of our total store portfolio. As a result, a significant portion of our network is relatively young and still in the early stages of maturing, yet to reach optimal throughput. Consequently, fixed costs and such as manpower, marketing and promotional spends are not yet fully absorbed, while finance costs and depreciation remain elevated, partly due to Ind AS 116 adjustment.

This has had a short-term impact on overall profitability. As these stores continue to ramp up and move up the maturity curve, we expect operating leverages to play out, leading to a gradual improvement in profitability and ROCE as they mature. To give a clear perspective on our store portfolio, for 9MFY '26, we operate 219 stores, out of which 83 stores are over 4 years old and 136 stores are less than 4 years old.

In the first 9MFY '26, the mature store base generated product revenue of approximately INR3,523 crores, while the newer stores contributed to around INR1,528 crores. From a profitability standpoint, the mature stores continue to demonstrate strong performance with an EBITDA margin of 7%, whereas the new stores are currently operating an EBITDA margin of 3%.

I would like to highlight our geographical performance. We witnessed a broad-based recovery in demand across our key clusters during this quarter. In Q3FY '26, our core market of Hyderabad delivered a year-on-year revenue growth of 6.4% with SSG of 3.3%, supported by the revival of real estate projects across Hyderabad, which has impacted performance in FY '25.

In the Telangana up country market, revenue grew by 2%. Andhra Pradesh reported a strong performance with a revenue growth of 18.2% and an SSG of 4.9%. Lastly, our NCR cluster continued to scale up well, recording a revenue growth of 30%, along with an SSG of 7.1%.

Turning to cluster-wise profitability. We continue to maintain a healthy EBITDA margin of around 6% in our southern cluster despite 70% of our new stores being added across Andhra Pradesh and Telangana in the past 2 years.

We are also pleased to share that our NCR operations remained EBITDA positive on a nine-month basis, delivering an EBITDA margin of around 0.5%, translating to around INR2 crores.

This performance would have been stronger for the nine months ended if we have experienced normal summer season up north. We expect margins in the region to improve further as we continue to enhance store level throughput, which will drive better absorption of fixed costs such as manpower, marketing, rentals.

Moving to category-specific performance. In terms of contribution, large appliances accounted for about 42% revenue in Q3 FY '26 and around 43% in the 9MFY '26. A positive trend we are observing at the store level following the GST reduction is a gradual shift in consumer preferences toward large televisions and high-value appliances such as front-loading washing machines and dishwashers.

Notably, washing machines' demand has remained stagnant over the last four quarters, registered a growth of approximately 11% during the current quarter. We are also seeing increased traction in new categories such as dishwashers, air coolers and other categories. This growing presence of premium products has helped us sustain our average selling price during Q3FY '26.

Coming to the mobile categories, mobile contributed to around 44% of our total revenue in both Q3FY '26 and the 9MFY '26. The mobile phone segment recorded a growth of approximately 10% in Q#FY '26. Looking ahead, we believe that the category is entering the next phase of demand driven by upcoming technologies, upgrades and feature enhancements.

Several OEMs are actively working on the next-generation AI-enabled devices, which we expect will further stimulate consumer interest and support growth in both ASPs and volumes. This positions us well to benefit as the replacement and upgrade cycle gains momentum. We believe the broader environment remains supportive. GST rates have come down and the government has reduced income tax slabs previously, which is expected to boost disposable income.

Together, these factors are likely to create a compounding effect on consumption and drive long-term structural demand for consumer durables.

Several categories in our portfolio continue to remain unpenetrated, offering significant growth potential.

As our newly opened stores mature and reach steady state performance, we expect margins to progressively normalize, setting a strong foundation for sustained and profitable growth in the years to come.

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

**Premchand Devarakonda:** Thank you, Karan sir. Good evening, and warm welcome to all the participants. Now moving on to the financial performance of Q3 and 9MFY '26. First, I would like to start with Q3 FY '26 performance. Our revenues for the quarter stood at INR1,939.7 crores versus INR1,805 crores in Q3 FY '25, a growth of 8%. EBITDA for Q3 FY '26 stood at INR119 crores versus INR102 crores in Q3 FY '25, witnessing a growth of 17%. EBITDA margin for Q3 FY '26 stood at 6.1% versus 5.6% of last year.

Pre Ind AS EBITDA for Q3 FY '26 stood at INR82 crores with a margin of 4.2%. PAT, including exceptional items for Q3 FY '26 stood at INR30 crores. Same-store sales growth for Q3 FY '26 was 2.54%. Now moving on to 9 months of FY '26 financials. Our revenues for 9MFY '26 stood at INR5,270 crores versus INR5067.1 crores in 9MFY '25, a growth of 4%. EBITDA for 9MFY '26 stood at INR311 crores. EBITDA margins for 9MFY '26 stood at 5.9%.

Pre Ind EBITDA for 9MFY '26 stood at INR204 crores with a rate of 3.9%. PAT including exceptional items for 9MFY '26 stood at INR67 crores. For 9MFY '26, SSSG stood at 0.19%. ROCE and ROE on an annualized basis for 9MFY '26 stood at 11% and 5.8% respectively. The working capital days as on 31st December '25 stood at 60 days. Pre-Ind AS cash flows from operations as on 31st December for the 9-month period stood at INR500 crores.

With this, now I open the floor for questions. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Aditya Bhartia from Investec.

**Aditya Bhartia:** My first question is on SSG growth in up country Telangana, wherein it appears to be a little on the weaker side. I think there's been a slight decline on

an SSG basis. And even -- I mean, from a slightly longer-term perspective, we are not really seeing that business scaling up -- that part of the business scaling up very sharply. So what's the outlook in that region? And what do you attribute the SSG decline to?

**Karan Bajaj:**

If you actually look at the number, it is -- when we look at category-wise sales or if you look at the overall number, firstly, the revenues are up, but with a marginal 2% up, including a new 6-7 stores that we opened up compared to last year Q3. But if you look at overall demand, there's a little slowdown. So I would not attribute or be at a spot where we want -- things are under control.

We are not losing market share. How is the productivity portion going on? So if you look at the overall sentiment of the market, it is a little weaker compared to the other clusters that we're operating in today. So I would attribute that de-growth to that. But if you look at overall number, there was a good positive sign in January as well in that cluster.

And this is predominantly the other categories. The cooling products have not started yet at the full pledge. But looking at the big days of January, looking at the festival there of Sankranti/Pongal and the 26<sup>th</sup> of January did really perform well there. So, I think it is a matter of time. We will definitely see a positive SSG in Q4 there.

**Aditya Bhartia:**

Perfect. And my next question was on the demand trends that you are seeing in January pretty much across the country and how things shaping up between North and South clusters in January?

**Karan Bajaj:**

So things look good for now, no complaints. I think we have finished the bad quarter that we had in the last financial year. And I think we're only looking for the positive upside coming in the coming quarters, especially with the AC base being -- or the cooling product base being quite low in the last quarter -- the last few quarters, I think the coming summer quarters are going to be good. So no complaints of that. We're already ready for it. We started buying and started shelving our stores with the newer inventory for the new rating as well. So, I think we are quite optimistic on the upcoming season.

**Moderator:**

The next question is from the line of Siddarth S from Vittae Money.

**Siddarth S.:**

So, I would just like to understand that this could be in previous 2-3 quarters, and I'm just taking you through the previous 2-3 quarters. Sir it was said that since there was a lot of credit scrutiny going around, there was a lot of issues or the sanctions of the credits that was issued as a proportion of funded was going lower because banks were rejecting a lot of, what do you say, the EMI eligibilities of customers due to strict underwriting policies.

Just want to understand how is the outlook on that, or how is it going on right now? Because most of the sales that's being done or sanctioned by you is going to be credit sales only, and this could be an important factor impacting the same. So just want to understand that note.

And how would the -- since you very convenient you know very good experience in the expansion and there has been a lot of expansion that's been going on. How would you give us an outlook in terms of how the future expansion is going to be? And when are these stores respectively, going to contribute to the revenues, respectively as majority of the stores right now are non-maturity stores?

**Karan Bajaj:**

To answer your first question, usually, every year, after the 2 big seasons of festival and the summer season, we would see a little slowdown in approval rate from the NBFCs. That is a normal trend in the industry. So definitely, after Diwali, we did see that trend going a little slower. But then usually once like the Christmas days always starts off well.

And now they are -- they already would get ready with the upcoming summer season. So that is a trend that we see always where the approval rates go a little lower, not too low. But I think going back again to the summer -- upcoming season, we'll have a higher approval rate coming back on also all the NBFCs, so that is how it works for them.

And for your second question on future expansion, currently, we are looking at opening the set number of stores in NCR, AP and Telangana that are lined up already in the pipeline yet to open up. So by 31<sup>st</sup> March or maximum second week of April, we'll have additions of new stores in this geography, which were already under construction or already for which we've signed up.

And as we stick to our plan of further expansion into a new territory, that probably after the Q1FY'27 is when we would venture out into the new

geography that we are currently looking into, could be Odisha, could be Western UP, and some of the newer markets that we're exploring right now. So, between me and the teams, we are looking at a further newer cluster that we will definitely add up in probably the Q2 or the Q3 FY '27.

**Siddarth S.:**

Okay. Okay. Got it. So I just -- I did get some clarity on this. I just have 2 follow-up questions on the same line. So the next thing is the majority of the sales mix makes up -- it is made up of white goods and electronics. So the thing is that when we look at AC as a good in terms of the sales, there is some reports or there is some studies suggesting that this summer is not as hot as it is expected to be in the previous years going ahead.

How would you think that would impact the AC sales of the company in general? Or what is your outlook from -- on -- as an opinion of yours or something? So that's one question from my end. The next thing is that there is a lot of talk going around in terms of the increase in RAM prices, which is going to translate into a higher, say, final sale price of the mobiles and other electronics since electronics also makes up a huge mix of books at the moment -- sales book at the moment.

What do you think is going to be the impact in general that can be attributed to the price increase in the electronics and the slower-than-expected summer this quarter, which will essentially -- how can it have an impact on the AC sales as well?

**Karan Bajaj:**

Okay. So I wish what you said is not true that the summer season is not going to be good. Let's not hope for that. But what we experienced last year in the Q1 or, say, mid of March, we got the flavor of the weather not supporting us for the season. But that being a low point, I would still put in the base at that level and expect at least some growth from that number from there on. I think that has also delivered at a higher number from the last year's base, I think we are sorted.

We don't need to look at 70%, 80% kind of a jump, right? So we are still optimistic on the category because the penetration is still very low. The new rating has also come in. We don't see a drastic increase in pricing from the AC brand. It is a nominal price increase, and that would get mitigated with the EMI offers and the cash backs that the brands provide during the summer period. So

I think we're looking at an optimistic sale, and we are ready to go ahead for the season, and we've aligned our inventory accordingly so that we...

**Siddarth S.:** Sorry to interrupt, just to stop you there. So you're also positive in terms of how the underwriting is going to be from the NBFCs and banks, right, coming up on the quarters as well?

**Karan Bajaj:** Yes, absolutely. The NBFCs are also ready. Currently, all the NBFCs that we work with IDFC, Bajaj Finserv, and HDB. So all are lined up and geared up for the season as well. So they're also looking forward because cooling products on a whole contributes to a bigger book size for them as well.

**Siddarth S.:** Yes, yes, correct. So you expect them to have some softer underwriting policies in general, unlike how it was multiple quarters back.

**Karan Bajaj:** Absolutely, absolutely.

**Siddarth S.:** Yes, yes. Got it. So I did get some. So in general, you are also positive on how the AC sales is going to roll out in general, considering the fact that we are not going to hopefully not see a worst season in terms of the slowdown in the AC segment.

**Karan Bajaj:** Correct. Because January base was not high last year, but the January also seen a positive uptrend in the category. But last year, if I actually attribute the AC sale in Q 4, it was majorly February and a couple of weeks in the March month that did well. But then after that, after March 28, we definitely saw a downfall up till May. So usually, that is the peak season for us for AC sellout, AC and cooling product sell-out. But hopefully, this year, we do -- might have a longer winter in place, but so we expect a longer summer going forward or at least an unanticipated summer with no rains in between.

**Siddarth S.:** Got it. Got it. Next as a follow up, as I already -- I'd just like to reiterate on the question of how do you feel the RAM prices, which as an expectation, we are saying the mobile and the electronic prices in general is expected to go by 8 to 10 percentage. And there's a lot of proxy companies and the companies which is directly -- that can be impacted by the sales is expected to see some slowdown. How do you view that? And what is your outlook in general of how we are going to navigate or how the numbers are going to play out for the electronics segment in general?

**Karan Bajaj:** Right now, we don't see a drastic change in the pricing from any OEMs right now. It could be a minuscule change going forward. But as I told you earlier, EMI schemes are available up to 24 months, brands are forwarding that. There are cash-back offers. There are 1 EMI or 2 EMI coming in from the OEMs as well. So eventually, the price is going to be in line with what it is currently operating at. So there would be a major jump there as well because a lot of these OEMs do absorb the cost as well. So, not necessarily that they always keep on increasing the price to the end consumer.

**Siddarth S.:** Okay. Okay. Okay. Understood. So in general, it is also expected to have a good view. And just to catch you on the last point there, you're also saying that apart from the soft underwriting, there is also a lot of customer-friendly policies that are going to come up like cash back and a lot of offers in general to incentivize the customer.

**Karan Bajaj:** Absolutely. Until, unless there's a new technology chain. For example, if it is like a 4K technology moving towards 8K or something better in any phone devices with the AI coming in. So, if there is a new add-on on the technology, definitely the price goes up. But apart from that, there is no price increase for a like-to-like product.

**Siddarth S.:** Sure. No, I just asked it on the front of the memory and RAM, which is the existing same technology of electronics just upgrading due to the RAM price hike in general, which was observed and which is a hot talk that's going on around in market now. So yes...

**Karan Bajaj:** Yes, for that particular product, yes. Definitely, yes.

**Siddarth S.:** Sure. Understood. And the last question, I'd like to know which are the major NBFCs partners or major bank partners that you guys have tied up with? And in terms of basically, let's take account of funded and there is going to be credit sales of you guys in general, which NBFC or banks takes up the major portion of the customers of yours who have availed for the EMIs. As a mix, I would like to understand that for some better clarity on that.

**Karan Bajaj:** The NBFCs that are prevalent in our industry in consumer durables are Bajaj Finserv, they are the biggest players. So our share or any retailer share is in line with what -- they are as market leaders, number 1. Number 2 would be IDFC, then would be HDB, ICICI and TVS Finance, especially for mobile

phones in a few of the markets. So that IDFC is not present in a lot of up country stores, for example. So then it is -- there it is Bajaj and HDB, TVS. So it all depends on the market reach of these NBFCs would have. But predominantly, the 4-5 companies that are prevalent in the market across all retailers.

**Siddarth S.:** Okay. Can you just take me through who is that HDB? I'm unaware of all the other parties...

**Karan Bajaj:** Split from HDFC Bank. HDB is a subsidiary of HDFC Bank.

**Siddarth S.:** Okay. Got it. Sure, sure. So yes, thanks a lot for the clarity from your end and I'm looking forward for the upcoming -- I mean, business to go well. And yes, hopefully, it is expected to do so.

**Karan Bajaj:** Pray for the summer to go well.

**Moderator:** The next question is from the line of Awais Bakshi from Sundaram Mutual Fund.

**Awais Bakshi:** Sir, just first question on the pricing side. You mentioned that the new BEE pricing are in. So what's the differential, sir, right now versus the earlier SKUs?

**Karan Bajaj:** I think it's not much. It is like 1%, 2% plus or minus and not more than that.

**Awais Bakshi:** Okay. Sir, just one follow-up here. Given that the price differential is not much versus others, wouldn't it somewhere affect the sale of existing non-BEE products in our portfolio? What's your sense?

**Karan Bajaj:** So the difference on pricing is not much, but the rating and -- so if you're comparing it, the lineup right now is still in a transition of having a complete range of the new BEE rating on the storefront because it is hardly a month in, because the production plus the stocks are not completely available across all brands. So -- and then we also are left with some older inventory.

Though we started buying the newer ones now, but we are left with some older inventories also. So by, say -- and the summer season has not picked up yet. So if I look at second week of March, that is when we'll have a complete transition of the newer models on the store front. So by then, it will be hardly

left with some 10,000, 20,000 units that will sell through the summer period after that.

**Awais Bakshi:** Okay. And sir, just one question here. On the overall inventory, what would be the AC inventory right now in our system?

**Karan Bajaj:** Right now, AC, we've already picked up for the season, right? So we are already at the same current levels of usually what we would have for our beginning of summer season. So a little upwards of 300,000 units.

**Karan Bajaj:** No, no, sorry.

**Karan Bajaj:** No, no, one second. One second. Yes. So in terms of units, we are around 250,000 units ready for the summer season.

**Awais Bakshi:** 250,000 units. Got it. And this will be more or less the older non-BEE norms, right?

**Karan Bajaj:** Sorry, sorry, I didn't get your question.

**Awais Bakshi:** These 250,000 units, this will not be the new BEE norm ones, right?

**Karan Bajaj:** No, no. Almost 50% of this inventory is the newer rating.

**Awais Bakshi:** Okay. Understood. And sir, just one more question in terms of discounting intensity this quarter, what was the status coming in from, say, the September quarter to December? Any changes there?

**Karan Bajaj:** Sorry, I didn't hear you. Can you repeat your question, please?

**Awais Bakshi:** Sure. In terms of discounting intensity, September, we had a higher instance of discounting, right, given the GST, etc. So is that continued in December or that intensity has cooled down.

**Karan Bajaj:** No, no. So that was up till the Diwali, would end up probably the first week of October, that's when Diwali ended up. And then after that, we did see an increase in pricing again or the discounting was reduced to the minimal during that period again.

**Moderator:** The next question is from the line of Devanshu Bansal from Emkay Global.

**Devanshu Bansal:** Karan, Hyderabad cluster has seen a good pickup over the last couple of quarters. So wanted to check what is the confidence on sustainability of this growth for this cluster? You did mention that some of the real estate projects are picking up, but if you could give some confidence on the sustainability of this trend.

**Karan Bajaj:** So if you look at -- definitely, there's no store addition in this cluster. We already captured the market here. The market would organically grow from here on. But the newer product categories like dishwashers, audio has picked up here, accessories are doing really well. The attachment has definitely gone up, especially in mobile phones and television.

And post the cutdown on GST, we have definitely seen an uptrend on sellout on televisions. So looking at that number, I think going forward, but not a big jump from here on. I think it will be in line with what the numbers are for this cluster. The SSG would remain under 3%-4% kind of a number. So I think that on such a big base, that kind of an SSG without new store opening, all mature stores, I think it is a good sign that it is sustainable for the coming quarters as well.

**Devanshu Bansal:** Fair enough. Fair enough. And from Delhi perspective, sir, the growth is a tad lower, right, 7%, 8% SSG, while this cluster particularly should see very high SSG, right, just because the maturity of stores is relatively lower. What's your expectation from this cluster maybe going into FY '27? What is the kind of growth minimum we should see in this cluster?

**Karan Bajaj:** So if you actually see Delhi would also have an extended cooling product sale, which we didn't see this year at the level that we would see in the previous year, we would attribute a little SSG growth slowdown to that as well. But overall, if you see our contribution in the premium is definitely increasing there. The ASPs are going up. The ticket sizes are going up Y-on-Y. And especially for the new stores that we opened up are in the major clusters like Janakpuri, Pitampura and Golf Course Road.

So I think in Faridabad, we opened a store recently. So the new stores that are there actually are more prevalent and more bigger clusters. So the SSG that you would see a drop in, especially for older markets like Daryaganj, Karol Bagh or in Punjabi Bagh where the market size has not increased much because

they are -- there's no new construction in that area. So the market size remains muted there, the growth in the market size. So overall, I think if you look at the number, it is up by 30%.

But I think in the coming quarters, you'll definitely see a higher growth coming in from this region because on a daily level, when we look at the sales, so January also did very well for us in that cluster or every weekend that we look at the sales from every productive store, it's growing Y-on-Y. So we are quite impressed on the growth coming in. But definitely, Delhi would need another year or so to stabilize further. And at the same time, a good summer season would boost the sales from there on because it would create a huge customer base for us during the summer period as well.

**Devanshu Bansal:** So just to better understand, are you indicating that maybe FY '27 would also be like a breakeven kind of a year for Delhi market or we will see some kind of a profitability...?

**Karan Bajaj:** We will definitely see a profitable FY '27 in Delhi. But what I was suggesting was that if we have a great summer in that region, then you will see a better profitable margin for that cluster.

**Devanshu Bansal:** Fair enough. And sir, lastly, I noticed that the inventory levels are about 15 days higher versus last year. You did mention that you have stocked up for the upcoming season, but that would be the case last year as well, right? So I wanted to check as in -- because in the channel also, every player would be having higher inventory this time around. So any opinion in terms of, say, competitive intensity from sale of these cooling products in the upcoming season, can that impact our margins to some extent?

**Karan Bajaj:** So the margins, just to answer your first question, yes, you will definitely see an increase in number of days of inventory. But that is in line with what we had planned, especially with the television stocks because we picked up a lot of television stocks post Diwali as well because the sellout was good, and we were seeing, of course, a drop in GST. There was shortage of the stock.

So we had to pick up a little more stocks there. And definitely, yes, we were sitting on a higher inventory of air conditioners. But compared to that particular quarter in FY '25, we would not see the inventory of ACs at that level. So ACs of inventory were lower, but the purchase will start off in January or so. So that

is why you would see that number coming in Q4 rather than Q1 for cooling products. So this would include a little bit of ACs that were still stuck from the summer of Q1FY '25.

**Devanshu Bansal:** Anything on the competitive intensity, sir? Do you foresee there may be some extra discounts that we may have to offer to liquidate...?

**Karan Bajaj:** Really not. That is in line. So whatever -- wherever it is needed to discount, especially to liquidate the stocks of ACs that we -- whatever support we got additionally from the brands is what was passed on. So we didn't go ahead in discounting a lot from our end, 1% here or there in terms of gross margin for that product category, but everything else remains intact.

**Devanshu Bansal:** So just to summarize, so FY '27 ideally, if summer goes well, should see return of double-digit growth in the business side?

**Karan Bajaj:** Hopefully. Hopefully.

**Moderator:** The next question is from the line of Ankit Kedia from PhillipCapital.

**Ankit Kedia:** Karan, you mentioned that festive saw 25% growth. But ex festive, the growth would have been pretty much flat or low single digit. So what happened in ex festive days that the growth was so dismal, while in festive, you saw 25% growth if I add Q2, Q3 together?

**Karan Bajaj:** Ankit, firstly, there were 9-10 days of split between Q2 and Q3 in terms of the festival sales. Dasara, up to Navaratri and all went up to Q2, whereas beginning of Dasara till Diwali was in Q3. And by the first week of November, we were done with the season. So post that, November definitely saw a huge drop, which we usually see. So there was no surprise to us. But the recovery, which was, say, 2 weeks or 3 weeks down of -- slowdown of sales went up to almost second week of December.

That's when we started seeing an uptrend coming back again and then the Christmas and New Year sales were really fantastic. So that's why that is what you would see usually as a trend. But there were no external factors for us to push the sales back, especially after the festival period when they grew at 25% and the offers were really great. So they were really on the televisions and appliances as a category, there were huge discounts, cash back, freebies offers from the manufacturers, which ended up by the first week of November, right?

So definitely, you would see a lot of preponed sales also getting booked during that period for the offers that were on the floor for the manufacturers. So these are normal trends. But I think the recovery was a week later, 10 days later in November, December transition and picked up after second week of December. That's when we saw the uptrend in all categories pushing up to the first week of January.

**Ankit Kedia:** Karan, but even Q2, Q3 together is just 12% growth, right? And if festive is 25% growth, that too because of the GST push, which came in. And going forward, if summer is just normal and not very harsh, do you think double-digit growth rate can come back?

**Karan Bajaj:** If you look at the trend that is going on right now, there is nothing that is going to stop us from that. The market trends that you would have seen for Q1, Q2, Q3, FY '25 versus what we anticipate going forward is quite positive than what has happened in the past. And if I look at the base on the cooling product categories, Feb and March last year was a very normal sale that I would look at.

That is very organic that we would do rather than not attributing it to a double-digit or a higher number of growth because if I break up and give you that number, January last year, which is INR38 crores, February was INR104 crores. March was INR168 crores. So it was around INR340 crores, INR350-odd crores in quarter 4, which we see that that's going to definitely grow on in the quarter 4 this year.

And going forward, April was really bad again, and there was no sale practically in May and June again in quarter 1 last year. So I think we're quite positive. Same thing with refrigerators or air coolers are practically no -- next to 0 in terms of what we would deliver during that period. So we're quite optimistic on how the season is going to pan out. But this time, we're a little cautious on inventory pile up so that even if the season goes at a double-digit growth, we still don't need to suffice the need for high inventory risk that we had throughout the FY '25 year.

**Ankit Kedia:** My second question is on the Delhi market. It's been 3 years for the first six stores which we opened, right, or we will complete three years now. When do you think would be the right trajectory for us to achieve company level margins

from a Delhi market perspective? I'm not looking at the full breakeven because obviously, you're continuing to expand stores in the region. But at least the earlier stores which we have opened the first 10-2 stores, when do you think they can breakeven.

**Karan Bajaj:**

If I look at those numbers, they are quite optimistic and quite positive on the throughput that you would expect from them. So I think if you look at -- I think if we do this same question at the end of Q1, I think we'll have a better answer for this because we'll have a good summer and hoping that Delhi is going to have a good summer this year.

Then we'll have a -- we'll understand how the contribution of cooling products in Delhi as a market can change the whole year compared to what it happens in the southern market. So the throughput is going to be surviving the need for a few quarters there. So that is how it's going to be. And hopefully, by Q2 FY '27, we should see that numbers going up in terms of profitability from that region.

**Ankit Kedia:**

So from a store economics perspective, earlier you had clearly mentioned that it takes three years for the store to breakeven, right, and more than that actually to achieve company level margins. Now do you think as a unit economics, given the competitive intensity and the season change, which is more frequent now and dependence on season change is much higher, do you think that unit economics doesn't hold true today for the new stores opening? Or you'll still stick your neck out and say no in three years for the new stores, we can break even or achieve company level margins?

**Karan Bajaj:**

We stick to the same concept and the same numbers. They're still prevalent if you look at the numbers. If I break down Delhi in terms of the first 6 to 8 stores that we opened up in August '22, they are in line with the same numbers. But then the attribution, majorly in Delhi as a region, if you look at, comes at the depreciation and interest level because the cost is a little higher because we did a lot of capital investment in buying a property there.

But if I look at the store level EBITDA or if I look at the store level performance for these stores, the store economics for the set of 8 stores, in fact, the other ones that we opened up also are showing up results much sooner than expected. So the burn is much lesser. The marketing cost is all divided,

absorbed between all the stores. So if I look at the revenue going up there, it is a matter of the delta coming through, which definitely you will see not only for the set of 8 stores, which are 3 years old, but even for the newer ones that we recently opened up in the coming quarters.

**Ankit Kedia:** Karan, I don't know if you answered this question on store opening. I joined late. Just wanted to know for this year and for next year, what is the store opening guidance we are giving?

**Karan Bajaj:** So this year -- this quarter, we've ended up opening another 4 more stores. So the store count definitely from 219 will -- if I finish making of the stores, this summer is usually when we -- if you remember, every 31st or 30th of March, every year, we add up at least 7-8 stores. So that is in line. So in case we finish making the stores both up north and down south, we will add up another 5 to 6 stores by the end of March.

That is the plan, probably if not in first week of April, there will be a delay. But once the quarter ends, the first quarter ends in FY '27, that's when we plan to venture out to a new geography, either could be Odisha could be Western UP, and we are evaluating a couple of more areas there up north also. So if things work out, we'll definitely -- after the good summer season, we'll definitely venture out to a new geography as well.

**Ankit Kedia:** So this year, the store opening is lower than last year on gross basis also, if not net. Is this a conscious call because of summer being poor this year?

**Karan Bajaj:** Absolutely, absolutely. So we have to make sure that the store count that were added last year, we were seeing -- at the same time, see Delhi was a newer market for us. So if you look at Delhi, all the new stores have been added. Tier 3, 4 towns have been added in Telangana, where we were not present. Currently, we are all present in the markets that we look at. So, organically, if you look at, there are 1-2 markets left in AP and Telangana, where we are adding up stores.

And it's not just to increase the store per se, this number, but we have to evaluate the market, make sure the markets are big enough. In fact, after a very long time, Hyderabad might see another 2 or 3 stores coming up in the next couple of quarters. We are looking at areas and peripheries of Hyderabad to add up new stores because that is where the market would demand them.

And right now, if you look at the stores which are in pipeline, there will be a similar number of stores, but a lot of these stores, especially the stores in Delhi took a longer time to finish because of the drop again there, which happens every year. So we got delayed with the stores. So if you see Faridabad second store and Budh Vihar is what we were able to end up opening up.

But if I look at the pipeline there, again, we have 6 to 7 stores in the pipeline in Delhi, which are getting ready, which will open up in the coming times. So the overall expansion plan that we had is in line with around, say, 20-odd stores that we opened up this year. Another 10 probably will add up in the next couple of months.

So I think while making that, there was a delay. But rest, definitely, we were cautious after the bad summer that went through. We were cautious not to -- otherwise, by now, we would have been into a new geography. And automatically, you've seen a much higher addition of store count with a new geography as well.

**Ankit Kedia:** So if the summer is poor this year, the new geography can get delayed further?

**Karan Bajaj:** No, no, no, irrespective of how the summer pans out, we are ready to expand further.

**Ankit Kedia:** Last year, you delayed. So I'm just thinking that this year, again, could you delay if the summer is bad?

**Karan Bajaj:** No, no. Irrespective of how the summer pans out, we are ready for it. And we hope that all of you also pray that the summer goes well because an optimistic mindset will definitely change the weather for us.

**Ankit Kedia:** And from Odisha or Western UP between the 2 clusters, which you would plan to add, where do you think is the biggest opportunity and where is the less competition for you?

**Karan Bajaj:** Sure, sure. Apart from this, we are definitely evaluating a lot of other regions in and around our Southern markets as well as some Western and Eastern markets as well. So -- because we have time on hand, we've got one more quarter to go. So we are -- because Western UP will be more organic because we already have presence in Noida, Greater Noida from there on expanding into Western UP is much easier.

But both Odisha and Western UP will not be more than a 10-store count that will increase our footprint in the geography. So apart from that, because we'll be ready to expand further by quarter 3 next year. So we wanted to make sure that we at least enter one more new geography on a newer cluster altogether.

**Ankit Kedia:** And obviously, they will not be ownership model like we went in Delhi, right? Because I don't think they would have such flagship locations we would need to invest in that land.

**Karan Bajaj:** Yes, exactly, exactly. And most of the market would have lower rentals, longer leases available. Until unless there is an opportunity for us, but majority of them are going to be -- in fact, in Delhi as well also, if you see now, the peripheries, Budh Vihar, we opened Faridabad, one more store, all are around rental only that we are trying to open apart from the stores that we've already secured, which are under construction, like Saket is under construction, 2 stores in Golf Course, 2 stores in Gurgaon are under construction. So those stores will take time because we're constructing from scratch. We bought the land out. Apart from that, there's no further acquisition up north as well.

**Ankit Kedia:** My last question, if I may. On the average ticket size, do you think the price cuts taken or the discounting given is impacting our SSSG growth overall? Or do you think volumes today are good enough for us to sustain the drop or the promotions which are being offered by the brand?

**Karan Bajaj:** Definitely, the volumes are going to have. So more than the value trend, we definitely see a very constant volume growth as well across all categories. So that is an upside, right? But then as a technology seller that how do you upscale your product value as well in case the values remain constant or the values keep de-growing. That's what we always keep discussing that we push customers to more premium, especially after post GST drop in the televisions.

In Tier 3, 4 town cities, we've seen the penetration of 75 inches and above also growing drastically. Front loading going. Front-loading has nothing to do with washing machines, also have seen a drastic change from semi-automatic or automatic towards front loading. Dishwashers have become prominent, dishwashers though the category is small. But since the drop in GST month-on-month we've seen 100% growth in the category, though the base was very

small. But overall, we see a good volume demand setting up across all categories. So that is a good positive.

**Moderator:** The next question is from the line of Nimish Shah from Fortune Finance.

**Nimish Shah:** This is Nimish Shah here. I had a question which doesn't relate so much to the operations, but just a very quick one. About 18 months back, you had -- or 16 or 18 months back, you had offloaded -- the family had offloaded equity at around INR220-INR230 to SBI and Mirae or some such fund. The stock price has not reached that level then for a variety of reasons, and we won't go into that. At the price of INR100, don't you think you all should be doing some form of creeping acquisition at least for tokenism or for confidence building measures for shareholders who stuck on?

**Karan Bajaj:** I think you have raised the point where we -- not only today, but every month, every investor meet, every quarter, CFO, me, the team, Dad, everybody keeps discussing it. But I mean, I don't know what is right or what is wrong because we get a mixed review on this of giving news out in the market that we would be picking up something or continue the same way. So it is always a mixed review that we've got. But just to answer your question, personally, I would say 65% of the company is still owned by us. So that itself is a good...

**Nimish Shah:** No, I understand. Sorry for butting in, but I understand where you're coming from. I know 65% is a very, very robust and a very, very healthy equity stake. So your skin is completely in the game. I'm not taking away anything from that. My only question...

**Karan Bajaj:** If you guarantee me that I put some money on the table tomorrow if it's going to help somebody or give out a positive...

**Nimish Shah:** Yes, yes, 101%. 101% you know...

**Karan Bajaj:** But when I discuss it with other people, when I discuss that. I mean, like you...

**Nimish Shah:** No, no. Karan, let's cut this chase. Tell me one thing. How will it harm anybody if you buy your own shares, maybe 2 lakh shares or 3 lakh shares at INR100? It just gives me confidence that the promote -- I bought at INR225, okay? The price has not reached that level. Today, the promoter sold at INR225. Today, the price is INR100. Promoter feels that -- if promoter is buying at INR100, so

obviously, he sees some value at INR100. It just inspires me to buy more at INR100. That's about it.

**Karan Bajaj:** No, I do agree...

**Nimish Shah:** This cannot harm. You can reach and ask 100 analysts. I've been in this business since 40 years in investment banking at Fortune. So I...

**Karan Bajaj:** Let me complete, I'll answer your question. I would love to...

**Nimish Shah:** Please, please, please. Sorry, please go ahead.

**Karan Bajaj:** Sorry to cut you, but let me answer...

**Nimish Shah:** No, no, no. All yours.

**Karan Bajaj:** After that, it is a number that we also have lost. So whenever we -- with 4 quarters in the time, we have discussed this with multiple investors. So usually, it is like the promoters -- that's what I also had an intent of picking up something, but there's always a confusion statement that I got, that's sure it would create a confusion out in the market.

But as you said correctly, if you feel that like you, a lot of other people have said, yes, but a lot of other ones that I spoke to also said, no, so I always had a mixed review of whether to go ahead with that or not because the money that we've raised is still lying with us. It's not that I've invested in 10 other companies where I've lost money or doing something else or I've gone to real estate. This is the only business that we do.

So the money is lying with us. I can definitely pick up a stake back to give the confidence to the market. And if time permits, I will definitely take in -- once we finish a couple of more investor rounds -- investor meetings in the coming months, I would definitely take a call. And much sooner than that, probably before the end of quarter one results, we would definitely have positive views on this as well.

**Nimish Shah:** Yes, it's just a tokenism. It's a confidence building measure...

**Karan Bajaj:** Yes, I get your point. I got your point.

**Nimish Shah:** Yes. And...

- Karan Bajaj:** Nothing to do with -- see, it is personal to me, but has nothing to do with what the market takes it positive or negative, but it is just a token of appreciation to the market that we are still there with you, and we are going to turn things around, definitely work harder from where we are today and give a positive sign to the market.
- Nimish Shah:** Absolutely something if the owners of the restaurant also eat here, it will just help. If the promoter has taken this amount then what is wrong with that? It's just about that. There is nothing else. It won't move the needle if you buy 4 lakh, 5 lakh shares. That's it.
- Karan Bajaj:** Definitely, definitely. Point taken on that.
- Nimish Shah:** And all the best in your endeavors.
- Karan Bajaj:** Thank you very much.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question. I would now like to hand the conference over to the management for closing comments.
- Karan Bajaj:** I would like to thank you all for joining the call. I hope that we were able to answer all your questions. And for any further queries, you may get in touch with us or our SGA team. We will be happy to address all your queries. Thank you once again.
- Moderator:** On behalf of Electronics Mart India Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.