

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 Second Quarter and First Half Year ended 30<sup>th</sup> September 2025 held on 10<sup>th</sup> November 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, 10<sup>th</sup> November 2025, at 05:00 P.M. IST to discuss the Un-Audited Financial Results for the Second Quarter and First Half Year ended 30<sup>th</sup> September 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: 14<sup>th</sup> November 2025  
Place: Hyderabad

**ELECTRONICS<sup>®</sup>**  
**MART**

**AUDIO & BEYOND**

**KITCHEN<sup>®</sup>**  
**STORIES**

**EASY<sup>®</sup>**  
**KITCHENS**



**“Electronics Mart India Limited  
Q2 & H1 FY26 Earnings Conference Call”  
November 10, 2025**

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



**Management:**

1. Mr. Karan Bajaj – Chief Executive Officer and Promoter – Electronics Mart India Limited
2. Mr. Premchand Devarakonda – Chief Financial Officer – Electronics Mart India Limited

**Moderator:**

Ladies and gentlemen, good day, and welcome to Electronics Mart India Limited Q2 and H1 FY '26 Earnings Conference Call. As a reminder, all participants lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

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 the guarantees of 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:**

Thank you very much. Good evening, and a very warm welcome to everybody 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 half year ended 30th September '25 on both the Stock Exchanges and the Company's website. Hope everyone had a chance to go through the same.

During the quarter, performance was marked with volatility owing to the GST rates announcement, which led to some deferment of purchase in the initial weeks. However, demand rebounded swiftly following the reduction in GST rates on select categories, resulting in a strong recovery in sales momentum. Operating margins were also impacted due to our rapid store expansion.

We have added around 75 stores since H1 FY '24 and many of these are still in the early stages of stabilizing. As a result, fixed costs such as employee expenses, marketing and promotions are not yet being fully absorbed. The rapid expansion has also led to higher financing costs and depreciation due to the IndAS 116 lease accounting impact.

Together, these factors have affected our PAT margins and PAT as well. As the new store ramp up can start contributing more meaningfully, we expect margins to gradually improve in the coming quarters. To give a clear perspective on our store portfolio, out of total of 215 stores, 84 stores are more than 4 years old, while the remaining 131 stores are less than 4 years old.

The mature 84 stores delivered sales of about INR 2,254 crores in the first half of FY '26, whereas the newer 131 stores contributed revenue of around INR 933 crores. These figures represent revenue from product sales. On the profitability front, the matured stores continue to perform strongly with an EBITDA margin of 6.8%, while the newer stores currently operate at an EBITDA margin of 3%.

Now I would like to share a highlight on our geographical performance. We have seen a broad-based recovery in demand across all our key clusters. In Q2 FY '26, our core market of Hyderabad recorded a strong revenue growth of 15% Y-o-Y with a healthy SSG of 12%. In Telangana, country market revenue grew by 23% with an SSG of 16%. Andhra Pradesh delivered a robust revenue growth of 29% and with an SSG of 8%.

Lastly, our NCR cluster continued to scale up well, achieving a revenue growth of 38% and an SSG of 11%. Talking about cluster-wise profitability, we continue to maintain a healthy EBITDA margin of around 6% in the Southern cluster despite adding new 60 stores across Andhra Pradesh and Telangana over the past 2 years.

We are also pleased to share that our NCR operations remained EBITDA positive with a margin of 1%. We believe margin in this region will scale up further as we start achieving greater business scales and operating leverage soon. Talking about category-specific performance, I had earlier shared an update on the large appliances segment during Q2 FY '26.

In numerical terms, large appliances contributed 38% in the Q2 FY '26 and about 43% in H1 of the FY '26. Another positive trend we are seeing at the store level following the GST reduction is an increase in the average selling price, as customers are increasingly opting for large televisions and higher-priced air conditioners or even purchasing newer categories such as dishwashers.

The shift towards premium products will help in driving and improving overall ASP as well. Moving to mobiles. Mobiles contributed 48% of our total revenue in Q2 FY '26 and 44% in H1 FY '26. Looking ahead, we believe the category is poised for a new wave of demand driven by upcoming technologies, upgrades and feature enhancements.

Many OEMs are actively developing next-generation AI-enabled devices, which we expect will further boost consumer interest and drive growth in both ASP and volumes. This positions us well to capture the next phase of demand as the upgrade cycle accelerates. We believe the broader environment remains supportive.

Interest rates have been reduced, GST rates have come down and the government has also reduced income tax slabs previously, which is expected to boost disposable incomes. Together, these factors are likely to create a compounding effect on consumption and drive long-term growth.

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 on the financial performance. Thank you.

**Premchand Devarakonda:** Thank you, Karan sir. Good evening, and warm welcome to all the participants. Firstly, I'm happy to share that we received the full insurance claim amount relating to the fire accident that occurred on 29th May 2025 at our one of our godowns, which has earlier resulted in an inventory loss to the tune of INR 8 crores.

Secondly, during the quarter, we took a strategic decision to divest 4 of our IQ Apple Stores, which are shown as EBO in our reports. This move is in line with our focus on strengthening

our core multi-brand retail business, which continues to offer greater scalability and better operating leverage.

By realigning our portfolio towards the core business, we aim to enhance capital efficiency and sharpen our execution focus across key growth areas. Now moving on to the financial performance during Q2 and H1 of FY '26. First, I would like to start with Q2 FY '26 performance.

Our revenue for the quarter stood at INR 1,591 crores. EBITDA for Q2 FY '26 stood at INR 82 crores. EBITDA margin for Q2 FY '26 stood at 5.1%. Pre-IndAS EBITDA for Q2 FY '26 stood at INR 46 crores with a margin of 2.9%. PAT, including exceptional items for Q2 FY '26 stood at INR 16 crores. Same-store sales growth for Q2 FY '26 was 11.4%.

Moving on to H1 FY '26 financials. Our revenues for H1 FY '26 stood at INR 3,330 crores. EBITDA for H1 FY '26 stood at INR 192 crores. EBITDA margins for H1 FY '26 stood at 5.8%. Pre-Ind AS EBITDA for H1 FY '26 stood at INR 122 crores with a margin of 3.7%. PAT, including exceptional items for H1 FY '26 stood at INR 38 crores.

For H1 FY '26, SSSG stood at minus 4.8%. ROCE and ROE on annualized basis for H1 FY '26 stood at 9.8% and 4.8%, respectively. The working capital days as on 30th September 2026 stood at 76 days. Pre-IndAS cash flows from operations as on 30th September '25 stood at 209 crores.

With this, we can open the floor for question and answers. Thank you.

**Moderator:** Thank you, sir. We will now begin the question and answer session. The first question is from the line of Mr. Yash Sonthaliya from Edelweiss Public Alternatives.

**Yash Sonthaliya:** So, my first question is on our gross margin. Like if I see Y-o-Y from Q2 FY '25 to Q2 FY '26, our mobile mix has changed from 51% to 48%, while large appliances sales have increased from 36% to 38%. But while in this Y-o-Y scenario, our gross margin has declined, which in the ideal scenario should have increased because of the mix change. So, can you please help me with the same?

**Premchand Devarakonda:** Sir, this is Premchand. See, what happened since the GST rate cut announcement came in, it led to a total slowdown. There was drastic degrowth in the sale of the large appliances category. So, during that period, we have to just push some sales by offering additional discounts that has marginally reduced the margins, gross margins during this period, sir.

**Yash Sonthaliya:** Got it. So, the decline in gross margin is majorly due to extra discounts we provided in the quarter. Am I reading it right?

**Premchand Devarakonda:** During that slack period since the announcement came in on, that has come on 22nd of September till festive, the sale, which was total slowdown in the market. People actually deferred their purchase decisions in anticipation of the GST rate cut. And as a result, we had to offer like we have to run the stores and stores people also, they have to push the sale on the floor. So, these things actually marginally reduced the gross margins. And the GST rate cut advantage will come

in, I mean, in the next quarter, that is in the festive season, which went on very well during the first 3 weeks of October.

**Yash Sonthaliya:** Got it. And sir, on the same line, I also wanted to know what is the AC inventory for this quarter and what was it in Q2 FY '25?

**Premchand Devarakonda:** So, AC inventory in spite of GST rate cut, there is no traction, I think, in the AC inventory because of the off season. So, season was, I mean, even the weather was not supporting our AC sales, still we are carrying INR 200-plus crores of air conditioner inventory, which we thought that it will get liquidated in the festive season, but we didn't see any demand. So, we have to wait and see the upcoming summer season, which will start sometime in the second week of February.

**Yash Sonthaliya:** So sir, we are still holding INR 200 crores AC inventory?

**Premchand Devarakonda:** Yes.

**Karan Bajaj:** Just to add on to, sorry, just to add on to Premchand sir, yes, whenever we exit a season or our ground stock, which now we are operating 215 stores, so the inventory would be for displays, which is around, say, almost 15,000 units in display across 215 stores and the subsequent backup stock for that. So if you look at the overall number, we'll be carrying another INR 100-odd crores of excess inventory that you would be not carrying during this period of time.

**Yash Sonthaliya:** INR 100-odd crores of excess inventory, that is what I was expecting.

**Karan Bajaj:** If you have to run the shop then you have to maintain the basic stock. So that much stock is there and apart that the inventory which is stuck so usually if you compare from last Diwali to this Diwali also or this season our decent number was there in this year, but obviously not a summer season so that can be much better in the coming summer season.

**Yash Sonthaliya:** Very clear, Karan and one last question on operating leverage also. Like this quarter, we reported healthy SSSG. And while our store growth was on 20%, what was the reason for such high employee cost? Was it there some one-off it is going to stay like this only going ahead?

**Karan Bajaj:** It is in line basically if you see it is in line with what the employee cost is. In this variable incentive is also added for that quarter. So, because we were running a lot of schemes so the variable incentive was a little higher than what usually we would do. So that employee cost would include that as well.

And plus, what happened was a lot of stores which we opened in the last quarter or so. So, though they took a little time to get launched, but the managers, security housekeeping. So, you've got to employ a lot of these people. So, whenever the incremental store addition happens, the subsequent growth in the cost of employees also goes up, right?

**Yash Sonthaliya:** Understood.

**Premchand Devarakonda:** Sorry for interrupting, so if you look at the employee cost as a percentage of the top line, it is more or less similar compared to the last year's figures.



- Moderator:** The next question is from the line of Mr. Jitaksh Gupta from Tikri Investments.
- Jitaksh Gupta:** So, my question is, sir, if we see revenue per store for either it is Andhra Pradesh or Telangana, so, it is constantly moving down, and it is one of the lowest in this quarter. So, sir, can you please help me understand what is happening with the South market?
- Premchand Devarakonda:** Sir, actually, what happened if you look at the store addition also during this, I mean, in these clusters, so it was a little rampant compared to other reasons. So, since the denominator has been increasing, so obviously, average store throughput has come down. These stores will take time to mature. Normally, the average age of these stores is also it's less than 3 years in these clusters. So, I think by end of this financial year, I think most of these stores will start performing, and we are quite optimistic about normalizing the average store throughput.
- Jitaksh Gupta:** And sir, one last question. Sir, how is the competitive landscape in South market?
- Premchand Devarakonda:** Competitive landscape?
- Jitaksh Gupta:** Yes, in Southern market where we operate.
- Premchand Devarakonda:** Okay. See, in Southern markets, in the markets like Hyderabad, so we are the market leader. And in Andhra Pradesh, I think we stand number two. And in Telangana up country, we are still holding our market share. We are number one only. So, in fact, there is not much competition in Telangana up country market. In Hyderabad, obviously, there is competition. Still, we are gaining or rather improving our SSSG. If you look at the quarter, this quarter's performance, definitely, it is quite encouraging, and we are not losing any market share to our competitors.
- Moderator:** The next question is from the line of Mr. Mehul Desai from JM Financial Limited.
- Mehul Desai:** So my first question is on the top line. I think our full year guidance was around 15-odd percent. But given that the first half, there is a miss, how do you see second half panning out, especially because of this GST rationalization? Do you see further acceleration in your overall sales growth and you still maintain your guidance of 15%? That is first question.
- And second question is on the margins. Obviously, this quarter margins were impacted by higher discounting and weaker mix. But going ahead into 3Q, I'm assuming that this discounting factor should go away. So, is it fair to say that in the second half, our EBITDA margin should go back to that 6% kind of 6%, which we saw in 1Q? These are my first 2 questions?
- Premchand Devarakonda:** Okay, sir. The first thing, the 15% year-on-year growth, since we have already halfway through during the financial year. For me, I think we need to revise that. But still, we are quite confident of reaching low double-digit growth in this financial year. So that is there. It's on the track. And coming to the second question, okay, margins during the Q3. I think now it is going to be impressive. Definitely in Q3, the margins will be better than what we have seen in the last couple of quarters.
- Karan Bajaj:** Sorry, just to add to Prem sir's conversation on the growth. See, the trends right now, see, we had a bad summer that definitely impacted the AC sell out. But we are quite optimistic on, so

you're looking at, say, if you're talking about 14%, 15% growth, you're looking at an additional delta of INR 100 crores, INR 150 crores of sell-out in, say, March month for cooling season products. So that comes up, summer comes up a little early, then it becomes much easier for us to achieve that kind of a number.

But it all depends on seasonality. It all depends on the thing. But when you're looking at an organic sell-out that happens every month, every day, every week, I think we are on track on doing good business. So that is what we're looking at, making sure the market share is intact. and growing from there on, the new clusters are performing.

The stores which are yet to get matured are on track to getting matured. So, if you see all these things, things are looking good. Things are on track. But what will definitely help us surpass that growth rate is the cooling product season, which will start, which might start a little early, say, in March, if it starts so early, and then we get that additional INR 100 crores- INR 150 crores of growth there. So that is very important.

**Mehul Desai:** Got it. And secondly, on Delhi NCR region, while you gave your matured and new store margins on an overall basis, in specifically to Delhi NCR region, the stores which were opened in FY '23, obviously, they are maybe 3 year old, they are not 4-year old. But those 3-year old stores in Delhi NCR, what kind of margins they are clocking?

**Karan Bajaj:** Prem sir will get back to you on this, because we don't have a split on that. Premchand sir will get back to you on that.

**Premchand Devarakonda:** Yes. I'll give you that working because we didn't work out that anything for the Delhi stores. But to the best of my knowledge, like it is better than more than 3%.

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

**Devanshu Bansal:** Sir, you mentioned that overall we have about INR 1,200 crores of inventory. So, inventory is about INR 100 crores higher versus last year. What about extra inventory in other categories? And further to this question, how much can be the potential margin impact if we sort of try to liquidate this inventory as there was some margin impact in Q2 also. So overall for H2, what is your initial sense on the margin impact of this excess inventory?

**Premchand Devarakonda:** Sir, we are not carrying any excess inventory in other categories. Because of the bad summer season, we were forced to carry the air conditioner inventory, and I think we, as explained by our CEO, I think if summer sets in early, we are quite confident of liquidating this inventory before this financial year.

**Devanshu Bansal:** Sir, still the sense was that because already there was impact in the south, the festive season sort of starts off early. And in Q1, Q4 also, our inventory was INR 1,200 crores. Now also it is sitting at INR 1,200 crores. So just wanted to double check as in if you can confirm because the festive period must have a good part of would have already been consumed by September?

**Karan Bajaj:** Yes. So, if you see the inventory level at that, at the end of September, we started buying a lot of products, especially for television, the sales went up really well, right? So mobile phones,



television and Diwali, carries out across categories. So spread across all categories. So, we had to buy out a lot of the stocks, right? So, except ACs, we had to pile up our inventory for other categories as well.

So that is where you would see a higher inventory level. But if we talk about that inventory level today, it is much lower than what usually it would be post the festival period, except again, ACs to a certain extent. And, apart from that, all other categories are in line with the regular, say, 40 days, 30 days, 60 days for different categories. So that is in line with that. So, by 31st December, when you see the number, you will definitely see a much lower number of inventories.

**Devanshu Bansal:** Understood. Can you comment on this festive, you have given some indication about low double-digit growth for H2, sorry, for full year, which implies about 20%, 25% growth in H2. So, can you comment some light as in how did the festive go this time around versus last year, maybe some trends for first 40-odd days?

**Karan Bajaj:** We are quite positive on how the festive period panned out. But again, looking at the split between quarter 2, quarter 3, we just finished, ended up our festive period completely in the month of October, but still had another 60 days of November and December to go through. So usually, there is a sluggish period post Diwali, right?

So, that also have to pass and then there is another 2 months of non-festive period in this quarter. So, it will be too early for us to comment. But things are looking positive. I would not complain. Things are looking definitely positive than the previous festive period. So that is a good sign for us. And that is across all categories and all clusters.

**Devanshu Bansal:** Fair enough. Second question, I wanted to check on the incentives, right? So brands also have struggled for this year. And in this particular industry, there are a lot of incentives linked to meeting the target. So do you foresee some lower incentives on account of that because sales, et cetera, have been impacted. So do you foresee some impact on that?

**Karan Bajaj:** Prem Sir, you want to take that question or you want me to answer it?

**Premchand Devarakonda:** Yes, please, sir. I think he was asking you.

**Karan Bajaj:** Okay. If you look at that incentive part, looking at that number, we are not worried about it because most of the schemes that we had were all upfront majorly. So, there was not much of a sell out or linked scheme that was pending or is pending. So, whatever the incentive we were supposed to receive for the sales target that we had completed, that is on track only. So, there is no deviation there.

**Devanshu Bansal:** And lastly, Karan, thanks for providing this segregation for mature stores and nonmature stores. Typically, I wanted to check what is the typical SSSG that your mature store clocks and what is the same number for, say, nonmature stores?

**Karan Bajaj:** Prem sir, do you want to answer that? You have the number with you?

- Premchand Devarakonda:** It is not readily available. But last year, when I worked it out, so fully matured stores, that means stores aging more than 10 years will have mid-single-digit SSSG. So blended, all the mature stores are actually giving, this time, this quarter was quite impressive. So, on the whole, like for the year, I think we can expect high single-digit SSSG across the board.
- Devanshu Bansal:** Sir, I'm checking for more of a medium-term perspective, not from this year. Obviously, this has been a disruptive year. I wanted to check more from a medium-term perspective, what is a reasonable assumption for SSSG for mature stores and for nonmature stores because your average age for nonmature is less than 4 years. So, I wanted to check on that.
- Premchand Devarakonda:** Yes. See the stores between aging 4 and 10 will have at least 9% to 10% SSSG and the stores aging more than 10 years will have around 3% to 5% SSSG sir. That was the historical performance.
- Devanshu Bansal:** Fair enough. And any last question, among categories, anything to call out as in which categories are sort of performing better versus the others? So that may sort of give us some sense on the revenue mix?
- Premchand Devarakonda:** The last three, four quarters, this large appliances category didn't perform well. But starting from Q2 of this year, we have seen decent double-digit growth in these categories like home entertainment, refrigerators, washing machines. So, we can expect, because the penetration of large-scale large screen televisions is much lower in this market.
- So that is now getting penetrated. So, we can expect close to 10% growth in this category. That includes the air conditioners. And coming to mobiles, so that will be roughly around 15% to, 15% year-on-year. That is the conservative estimate.
- Moderator:** The next question is from the line of Mr. Tushar from Athena Investments.
- Tushar:** So, regarding your Delhi, from what I see from the presentation, you have around 31, 32 stores, and you're doing a run rate of INR 400 crores, INR 450 crores. So that's around INR 12 crores, INR 15 crores per store. So, what is your aspiration? I mean, ultimately, where should these stores reach? And in how much time do you think they will go to that level?
- Premchand Devarakonda:** In Hyderabad market, the average store throughput for MBOs is more than INR 65 crores. So that is what our aspiration in NCR. So, I think it will take maybe 3 to 5 years to reach to that level. And this year, we are quite confident of reaching around INR 30-plus crores per store in NCR.
- Karan Bajaj:** But just to add on, I think some calculation, I think there's some discrepancy in the calculation that you've done versus what we usually have it. Sir, last year, we did around INR 480 crores of revenue in those stores apart from the new store that we opened up in Delhi NCR. So, this is a Delhi NCR, we would be very comfortably on track of doing around INR 650 crores to INR 700 crores of revenue this financial year.
- Tushar:** This year.

- Karan Bajaj:** So last year, INR 480 crores.
- Tushar:** So it's growing at high double digit?
- Karan Bajaj:** This is after the addition of new stores as well. Sorry?
- Tushar:** This is growing at high double digit, is it?
- Karan Bajaj:** Yes, definitely. If you see all the quarters that, in the last couple of quarters, last quarter also, in fact, after a bad summer season also, the stores have grown there. We've done a total cumulative growth of around 38% this quarter, quarter 2 as well.
- So, looking at the festival period panned out, things are moving on a daily basis, I think we are quite positive on reaching at least INR650-plus crores in that region. But unfortunate for the region is that the summer starts post April there. So, quarter 4 would have a very smaller flavor of the summer there compared to the southern region.
- Tushar:** So, INR 650 crores this year and next year, what do you think would the Delhi NCR?
- Karan Bajaj:** There is aspiration, aspiration with the new stores opening up and the stores getting mature in that region, we should at least grow at least 25% over that number.
- Tushar:** Okay. And any plans to get into Southern like Bangalore, Chennai, any reason that you've not gone into this area because that is
- Karan Bajaj:** No plans as of now, but definitely, we will evaluate the newer expansion from the next quarter onwards. That's the plan.
- Moderator:** The next question is from the line of Mr. Siddarth from Vittae Money.
- Siddarth:** So previous 2 quarters ahead, we did hear a word from management saying there is a lot of credit scrutiny going around, there's a lot of rejection rates for the EMIs applied by the customer. Would just love to have an outlook as to how it has been at the moment? And is it actually having an impact on the sales? And what do you expect on the post GST cut, electronic retail is expected to be the key beneficiary. How do you expect it to pan out for EMIL and the potential guidance would be lovely to hear?
- Premchand Devarakonda:** First is the credit cuts are actually not, I mean, not impacting our businesses. Actually, what happened like the markets where we have been operating, I think in those markets, we are able to generate more than 60% of business through these consumer durable financing and coming to the GST rate cut, GST rate cut was applicable to the, I mean, in our business, in our trading. So, the large screen televisions and the air conditioners, these are the two categories. They got the advantage of the GST rate cut. And definitely, during the festive season, during Q2 as well as festive season, we did see decent growth. It is very impressive growth in this large screen television category, whereas air conditioners being a seasonal product, I think we will see the traction coming in, in the fourth quarter of this financial year.

- Siddarth:** Okay. That did provide us with a lot of clarity. And my follow-up question would be that there is a lot of nonmature stores that you have at the moment, close to 131 stores, if I'm not wrong. So, when do we expect a marginal contribution from them in terms of the breakeven? They are having a breakeven. But I mean, the substantial margin contribution, the EBITDA improvement from them. And what is your plan in terms of store expansion for FY '26 laid out is something also I would love to have clarity on?
- Premchand Devarakonda:** Yes. Sir, these stores will mature in the next 24 months, most of these stores. And the sense they will start contributing to the EBITDA margins. Coming to the expansion plan for the rest of the financial year. In Telangana, we are planning to add 4 more stores in Andhra, 4 stores, in NCR, 3 stores and in Hyderabad, 2 stores. These stores are going to be operational by end of this financial year or latest by April of this, in the next financial year, sir.
- Siddarth:** Okay. So, if you can just let me know overall count as to how much is the plan laid out for the upcoming year, it would be really helpful?
- Premchand Devarakonda:** For the rest of the financial year. 30 more stores
- Siddarth:** Okay. And the concentration would be more exposed to Telangana market, right?
- Premchand Devarakonda:** Yes, Telangana, Andhra and Hyderabad, these are given, and this is an organic store addition. And in NCR, we are planning to add 3 more stores. I think this is the plan till the next April.
- Siddarth:** It looks very diversified and I am looking at to be part of the future prospects.
- Moderator:** The next question is from the line of Mr. Akhil Parekh from B&K Securities India Private Limited.
- Akhil Parekh:** The first question is on the North cluster margins, right? And for the first half, it stood at 1%. But if I remember correctly, I think the last quarter, we were guiding that the NCR or North cluster margins will be around 3% to 4% by end of FY '26. So how should we look at it basically the North cluster margins for the full year FY '26? That's my first question.
- Premchand Devarakonda:** In Q1, we had a little bit of air conditioner sale happened in the North cluster. As a result, we had 3% EBITDA margin. whereas in Q2, it was a little slow because of that GST announcement and also the weather conditions. Now having seen the performance during the festive season, we are quite optimistic. I mean we will be, it is definite that we are going to reach the targeted EBITDA contribution coming in from NCR.
- Akhil Parekh:** Okay. That's a good place. So, we should be able to reach at least 3% for FY '26?
- Premchand Devarakonda:** Yes. Yes.
- Akhil Parekh:** Okay. The second question is, what's the downside risk to our EBITDA margins at a company level if the summer season is not strong as per our expectation, right? What could be the worst-case scenario for margins basically for FY '26

**Premchand Devarakonda:** Yes. See, air conditioner contribution is very important for us. So that should, I mean, obviously, we'll not have 2 bad summers for next year also, we are going to come back on track with regard to the air conditioner sales.

**Akhil Parekh:** Okay. No, but I'm saying just hypothetically because the expectations are that the winter is expected to be cooler this time, which seems to be the case, right? So, if that happens, would it be fair to assume our margins will remain below 6% for the full year?

**Premchand Devarakonda:** This financial year, yes, it will be around that. EBITDA margins will be around 6%. And if summer sets in early, so it will slightly improve. It may go up to, I mean, that, it might improve by another 30 to 50 bps.

**Akhil Parekh:** Got it. So early summer, then it's around 6.3% to 6.5%

**Premchand Devarakonda:** Yes

**Akhil Parekh:** Okay. And last question on the capex guidance, if you can please highlight like what kind of capex number should one look at for FY '26 and '27?

**Premchand Devarakonda:** See, we have, as I mentioned, like about 30 stores in pipeline. So those, I mean, for the rest of the period, you may consider another INR 25 crores to INR30 crores of capex in the next 6 months. Apart from that, for the next financial year, we will be adding, as of now, we are planning to add 30 more stores. So, on 30 stores, we'll be investing about INR 75 crores. So that is the plan.

**Moderator:** Thank you. The next question is from the line of Mr. Harsh from Nepean Capital.

**Harsh:** So, Karan, you mentioned that your target for FY '26 in Northern cluster should be around INR 650 crores. So, if I just calculate it on a per store basis, it would be in the north of, say, INR 30 crores of revenue coming in on an average basis. And secondly, this would be a growth on a year-on-year basis despite having a weak H1. So where do you expect the growth coming in from in the second half?

**Premchand Devarakonda:** See what happened in the second half, the festive season went on very well. As a result, like we did see decent growth means it's more than 25% coming in from North cluster. And coming to the other thing like, see, most of the stores which are opened in the current financial year, they are getting added to the denominator. As a result, we are getting the average throughput lesser. But we consider the stores which are operational for more than 12 months for the purpose of ascertaining the average throughput coming in from the store.

**Harsh:** Got it. So yes, considering that only, I thought my numbers might be slightly different on a per store basis, but it's showing us INR 27 crores for last year, FY '25. And if I had to just incorporate what your guidance is, it should be in the north of, say, INR 29 crores to INR 30 crores. So that's the reason I thought where am I missing.

**Premchand Devarakonda:** Yes, that's true.



**Harsh:** Okay. So, you're saying it's just to conclude in the summary, you're saying that the festive period sales and the stores which have been added towards the later part of the year or in the first half would start contributing and that's how you expect it to go up?

**Premchand Devarakonda:** Yes, sir. That's right.

**Moderator:** As there are no further questions, I would now like to hand the conference over to the management for closing comments. Please go ahead, sir.

**Premchand Devarakonda:** I would like to thank all the people who joined on the call. Hope that we are able to answer all your questions. For any further queries, you may get in touch with us or Mr. Deven Dhruva from SGA. We will be happy to address all your queries. Thank you, one and all, and see you soon.

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