

August 08, 2025

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National Stock Exchange of India Limited
Exchange Plaza
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Mumbai- 400051

Scrip Code: 540205**Symbol-AVL****Sub: Transcript of Analysts/Investors Call pertaining to the Unaudited Financial Results for the quarter ended June 30, 2025****Dear Sir(s)**

Please find attached herewith a copy of the transcript of the Analysts/Investors Call on the Unaudited Financial Results of the Company "**Aditya Vision Limited**" for the quarter ended June 30, 2025 held on Friday, August 01, 2025.

The same is also being made available on the Company's website at: www.adityavision.in.

This is for your information and record.

Yours faithfully

For Aditya Vision Limited

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Akanksha Arya
Company Secretary



**“Aditya Vision Limited
Q1 FY '26 Earnings Conference Call”**

August 01, 2025



**MANAGEMENT: MR. YASHOVARDHAN SINHA –CHAIRMAN AND
MANAGING DIRECTOR – ADITYA VISION LIMITED
MRS. YOSHAM VARDHAN – WHOLE TIME DIRECTOR
– ADITYA VISION LIMITED**

**MODERATOR: MR. DEVANSHU BANSAL – EMKAY GLOBAL
FINANCIAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Aditya Vision Limited Earnings Conference Call hosted by Emkay Global Financial Services Limited. 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. I now hand the conference over to Mr. Devanshu Bansal from Emkay Global Financial Services Limited. Thank you, and over to you, sir.

Devanshu Bansal: Yes. Good evening, everyone. I would like to welcome everyone on the call and thank AVL's management team for giving us this opportunity. We have with us today Mr. Yashovardhan Sinha, Chairman and Managing Director; and Mrs. Yosham Vardhan, Whole-Time Director. I shall now hand over the call to the management team for the opening remarks. Over to you, sir.

Yashovardhan Sinha: Thank you, Devanshu. Good evening, ladies and gentlemen. Welcome to Aditya Vision's Q1 FY '26 Earnings Conference Call. Our earnings presentation and financial results for the quarter have been uploaded to the stock exchanges. We trust you've had the opportunity to review them.

This quarter, witnessed one of the most unusual summers in entire history of 26 years of Aditya Vision with unusual rains continuing throughout Q1 with no heat waves in our core markets of Bihar, Jharkhand and Uttar Pradesh.

May -- in fact, May '25 was the coldest in over 6 decades across India. You may like to compare the rain and temperature as mentioned in investor presentation, which will show the tough conditions as encountered by the sector. In fact, to tell you, rainfall during March to June was 198 mm compared to average of 145 mm in UP. In Bihar, it was 223 mm compared to 157 mm average. And Jharkhand, it was 215 mm compared to 155 mm average. So you can see the difference in this period.

Similarly, temperature during March and June in current year in UP, it was 35.1 degrees Celsius as compared to 37.6 degrees Celsius. In Bihar, it was 34.8 degrees Celsius in current year compared to 37 degree centigrade average. And in Jharkhand, current year, it was near 34.5 degrees Celsius, whereas its average was 36.4 degrees Celsius.

As a result, demand for the seasonal cooling products plummeted in line with the broader industry trends for retailers and OEMs. Leading OEMs in the cooling category reported a 15% to 30% decline in primary sales due to sharp buildup of channel inventory,

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particularly across India on start of summer season.

However, even under these circumstances and challenges beyond our or anyone's control, I'm happy to inform our shareholders that our revenue grew 6% year-on-year over a strong Q1 FY '25 base to INR940 crores, highlighting our strength of execution and adaptability to adverse situations.

Despite elevated fixed costs associated with the 29 new stores launched in trailing 12 months, which are expected to normalize as they mature, I'm really happy to report that we have maintained EBITDA margins at 9.5% and our profit after tax grew by 4% to INR55 crores compared to INR53 crores Y-o-Y. Our gross margins improved from 15.22% to 15.33% Y-o-Y. This was a result of our proactive steps to manage profitability.

We rationalized noncritical operating expenses, including advertisement, promotional spending, warehousing, freight and security expenses while preserving front-end service quality. This measured focus and precise cost control ensured operational stability throughout this peak season.

Amid external softness, internal discipline played a decisive role, anticipating a strong summer air conditioner sales, as you are aware, we proactively stocked inventory at the end of Q4 FY '25 to mitigate potential compressor shortages and benefit from early season OEM discounts.

However, as demand softened, our teams responded swiftly driving selective sales through targeted promotions and engaging OEMs early to provide enough support in liquidation of excess inventory. This agile approach helped reduce our inventory levels by INR150 crores in Q1 FY '26 compared to March '25. And your company remains comfortable on stocks of AC, which has now come to company's historically normal levels.

We also saw a meaningful improvement in our capital position. Due to effective inventory liquidation, robust receivable management and disciplined procurement, the short-term borrowings declined sharply from INR278 crores in March '25 to approximately INR115 crores as of June 30, '25.

Our retail footprint continues to expand in line with our long-term strategy. We opened 4 new stores during Q1, consistent with our strategic quarterly pace. I'm pleased to share that we have added 3 more stores in July '25, taking our store count to 182 as on date. We remain on track to add 25 to 30 new stores in FY '26, aiming to cross the 200-plus store milestone by year-end. Our presence in Central Uttar Pradesh, including Lucknow, has deepened further, strengthening our reach across key cities of UP.

Looking ahead, we remain optimistic. India's economy is expected to grow by 6.4% in FY

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'26, supported by rising rural incomes, public capex momentum and improving consumer confidence. The Union Budget 2025 personal tax relief is expected to release INR1 lakh crores into consumers' hands should provide a strong tailwind for discretionary retail during the festive quarters.

In Bihar, as I speak, effective today, the 125 units free electricity scheme has been launched by the government, which will boost consumer durable and electronic demand and support overall consumption. It will further enhance the disposable income in hands of consumers and will psychologically lead them to buy products driven by electricity.

While Q1 brought unforeseen external challenges, our fundamentals remain solid, a reflection of Aditya Vision maturity, resilience, resurgence and consistent execution. And we hope that this pent-up demand is -- we are going to reap the harvest in next FY Q1.

So now, I'll hand over the floor to Mrs. Yosham Vardhan to provide an overview of the financial highlights for the quarter. Over to you, Yosham.

Yosham Vardhan:

Thank you, sir, and good evening, ladies and gentlemen. We are pleased to report a stable financial performance for the Q1 of FY '26. Let me take you through the key highlights. Revenue for Q1 FY '26 stood at INR940 crores, reflecting a year-on-year growth of 6% compared to INR889 crores in Q1 FY '25.

Gross margin saw improvement at 15.3%, up from 15.2% in the same quarter last year. EBITDA for the quarter stood at INR90 crores with EBITDA margin maintained at a healthy 9.5%. Profit after tax came in at INR55 crores, registering a 3.9% increase over INR53 crores in Q1 FY '25.

Our retail footprint continues to expand. As of June 30, 2025, we operate 179 stores, 113 in Bihar present across all 38 districts, 30 in Jharkhand, covering 21 of 24 districts, 36 in Uttar Pradesh, where our brand continues to gain strong traction.

In Q1 FY '26, Bihar remained our largest revenue contributor at 76%, followed by UP at 13% and Jharkhand at 11%. Same-store sales growth for Q1 FY '26 stood at minus 4%. We also witnessed a reduction in inventory by INR150 crores compared to March 2025 and reduction of short-term borrowing from INR278 crores in March to approximately INR115 crores as of June 30, 2025.

Thank you for your continued trust and support. We now open the floor for questions.

Moderator:

Thank you very much. We will now begin the question and answer session. The first question is from the line of Aniruddha Joshi from ICICI Securities. Please go ahead.

Aniruddha Joshi: Sir, regarding the air conditioner, essentially air conditioner, refrigerator, air cooler and fans. So all the summer products, what will be the inventory? And what will be the plan to, in a way, reduce the more than normal inventory? Also, whether the brands are offering any support to us. We heard that the air conditioner market offering free installation also or like number 2, number 3 players are also offering discounts, some discounts. So how are we on that front? So that is question number one.

And then question number two is the BEE norms will change in air conditioner in January, means rather from January. So we will have to finish off all the inventory, I guess, by end of December itself. So considering only 5-odd months left, so which are anyway monsoon and winter months. So what will be the strategy of the company to work towards the reduction in the inventory?

Yashovardhan Sinha: Thank you for the question. As far as inventory is concerned, I have already spoken in my earning call that we have reduced our inventory to the tune of INR150 crores. And on the AC front also, we are at a very normal level, which is a historical level for our Aditya Vision with so many stores. So we are quite comfortable with our stocking of AC. And it's not a cause of concern at all.

As per our strategy, we -- in fact, from mid-May, we started destocking. And right now, again, what you said that whatever stock left, your question number second is that BEE will be applicable from January next year. So actually, we are not barred from selling whatever we will be carrying at that period. The only manufacturer OEMs cannot -- they cannot manufacture product, which is not BEE as per government guidelines.

So we are not stuck up with any product, even if -- otherwise, also, you are not going to sell all the ACs even placed on display on your showrooms. And when you are having, let us say, 180-plus showrooms, so everywhere, you have to keep the AC, whether it is -- even if it is a winter or something because when customers, they see it, then only they come to buy it when the season arrives.

So that way, we are -- I don't think there will be any challenge. And as you said that OEMs are very flexible in this regard. In fact, they were very supportive. It will not be proper for the company to divulge what support we actually get from OEMs. But I will say that substantial support has been provided by all OEMs to us so that we can liquidate our AC inventories, and we are quite satisfied on that front.

Aniruddha Joshi: Okay. Sure, sir. Just in terms of the stores, now we have rolled out only 4 stores in Q1, but I guess we have rolled out 3 stores in July month itself. That's right?

Yashovardhan Sinha: Absolutely. So as you know -- you must be aware, strategically, we opened less stores in

Q1 because of lean season -- entry into lean season. And then we start building up our store count.

Aniruddha Joshi: No, just wanted to reconfirm.

Moderator: The next question is from the line of Rehan Saiyyed from Trinetra Asset Managers.

Rehan Saiyyed: I have a couple of questions.

Yashovardhan Sinha: Hello, I am not getting your voice.

Rehan Saiyyed: My question is focused towards the upcoming festive season. So how do you view quarter 2 demand given the upcoming festive season has strong monsoon so far?

Yashovardhan Sinha: Again, I'm not able to hear you.

Rehan Saiyyed: Okay, sir, I will speak a bit slower.

Yashovardhan Sinha: Speak on the microphone or you speak slightly loudly.

Rehan Saiyyed: Okay. Sir, how do you view quarter 2 demand given the upcoming festive season and monsoon so far, are you seeing any early pickup in the pre-festive order for football trials in stores?

Yashovardhan Sinha: It is -- in fact, I'll say it is too early for us to comment on that. Festive season will start in late September. This is very early this year. Festive season is going to come. I think Mahalaya will be in September itself. So we'll be preparing ourselves by end of this -- before the end of this quarter for that. And as far as demand is concerned, I'm very optimistic that because of good rains, as you have seen, very good rains and probably 10% more crop has been sowed.

So I think that bumper harvesting will be there in entire geography where we are operating. So I think given that Q1 was not that good, so people will be having so much of disposable income with them. And I think festive season should go realbonuly well.

Rehan Saiyyed: Okay, sir. Okay. And my second question is around your seen sharp jump in revenue quarter-on-quarter. So could you highlight how much of this was sharp jump in revenue in quarter-on-quarter basis. So could you highlight how much of this was driven by volume growth versus price hike or average selling price increase?

Yashovardhan Sinha: You are aware that in Q1, this is the summer season and AC contributes higher. So our contribution for AC in '26 was around 42% of our entire revenue.

- Rehan Saiyyed:** Okay. And sir, one more question is around -- like lastly, what are the 2, 3 focus areas for the management team in the second half of FY '26 for sustainable growth?
- Yashovardhan Sinha:** What are the focus areas?
- Rehan Saiyyed:** Two to three focus areas that management is focusing internally.
- Yashovardhan Sinha:** Our focus area will be to how to enhance our presence everywhere and boost sales. This will be our primary focus.
- Rehan Saiyyed:** No sir. If I clarify more like apart from Bihar, are you focusing towards any other geography or any other state?
- Yashovardhan Sinha:** No, no. We are expanding. Right now, we are -- our focus is Uttar Pradesh, and we are not right now focusing any other state.
- Rehan Saiyyed:** Okay, sir. Can you clarify the capex guidance regarding for this year?
- Yashovardhan Sinha:** You are not audible. Capex for what you said, repeat it?
- Rehan Saiyyed:** For this year, for this year, FY '26.
- Yashovardhan Sinha:** We have already guided that we'll be opening around 25, 30 stores in this financial year.
- Moderator:** The next question is from the line of Devanshu Bansal from Emkay Global Financial Services.
- Devanshu Bansal:** Just wanted to better understand the steps that have gone or initiatives that have gone behind the stable EBITDA margins. As you mentioned that, obviously, retail comes with higher fixed costs and there were new store additions over the last 12 months as well.
- So if you could just throw some light on the key initiatives that we have taken? And are these sort of sustainable or with the return of sales growth, these expenses should also sort of come back to the previous levels?
- Yashovardhan Sinha:** Actually, I've already spoken in my earnings call that we -- when our top line was -- we could understand that top line cannot improve because of the weather. So we were very much focused on our expenses, operating expenses. So we try to keep it as minimum as possible. As you know, if sale is not there, so there are so many bonuses and incentives, these are also not there for employees. So that has also cut down on our expenses.
- And more so when the sale is not like -- we are used to grow at a 30% level. But we have not grown at that level in this quarter. So our entire cost on freight, security expenses,

warehousing, sale promotion, everything has come down. So these things have been effectively managed by us and keeping in view that we have to see the bottom line as well.

And if we are not able to increase the top line, at least our bottom line should remain stable. So these are the key factors. And once we are on our track of high growth, then again, these expenses are going to go up.

Devanshu Bansal: Understood. Fair enough, Mr. Sinha. Secondly, sir, you did provide that gross debt is around INR115 crores. Can you also highlight what is the cash level at Q1 end, that will be really helpful.

Yashovardhan Sinha: In fact, if you take entire equity and cash -- whatever cash and cash equivalent is with the company, it's at INR141 crores.

Devanshu Bansal: Okay. Okay. Fair enough. So whatever cash inventory reduction has happened has helped to sort of lower down our debt levels, right? So that is the right understanding.

Yashovardhan Sinha: And there has been-- positive cash flow

Moderator: The next question is from the line of Madhur Rathi from Counter Cyclical Investments.

Madhur Rathi: Sir, I wanted to understand the inventory that we have as of Q1 FY '26 end versus what it was in Q1 FY '25.

Yashovardhan Sinha: I may not be able to tell you about last year's inventory level. But what I remember, it must be around, it must be around INR380-odd crores. And in this year, it will be, if you subtract INR698 crores and minus INR150 crores. So it will be around INR548 crores.

Madhur Rathi: Got it. Sir, do we like foresee -- sir, we mentioned that we focus on discounting to get our AC stocks to normalized levels. So do we -- sir, I wanted to understand 2 things regarding that. Sir, do we expect any further discounting over the next 3, 4 quarters or interest cost burden that we can expect? And the second question was, sir -- yes, sir, that was my question, sir.

Yashovardhan Sinha: I'm afraid, Madhur, you will have to repeat the question.

Madhur Rathi: Yes, sir, I wanted to understand regarding this inventory level.

Yashovardhan Sinha: Can you speak slightly louder, please?

Madhur Rathi: Yes, sir. Sir, I wanted to understand, you mentioned that we focused on a little higher discounting to get our AC stocks to normalized levels. So what was the impact of that on our margins? So was at 0.5%, 1% on our margins?

And the second question was, sir, this inventory that we have currently, sir, do we expect some kind of either discounting cost or interest cost burden over the next few quarters to hit our books? Or we expect we are fairly comfortable with that?

Yashovardhan Sinha: But I think I never -- Madhu, I never said that we've resorted to discounting. I do not know where you have got this word from. But we never resorted this to any discounting. We -- in fact, we took all the support from OEMs like, as you know, how they support, they give free installations and they give various other facilities to the customers, so these are the things.

But discounting is not -- by discounting, there was no need for it to give any discount that way. And secondly, in future also, when I'm telling you that we are at a comfortable level of stock in air conditioner, so we need not go for discounting or -- we are very comfortable. We aren't desperate to liquidate our stock.

Moderator: The next question is from the line of Renjith Sivaram from Mahindra Manulife Mutual Fund.

Renjith Sivaram: Congrats on a decent performance despite the headwinds. Sir, I just wanted to know what was your same-store sales growth if you can -- if you have that number?

Yashovardhan Sinha: Yes. Yes, I'm having that number. Same store sales growth has been negative 4% in Q1 FY '26, which was at 21% last year Q1 FY '25. So it is a negative figure of 4% SSG.

Renjith Sivaram: Okay. So despite having a very bad AC sales, the same store sales growth is only negative 4% means like we were able to sell other products apart from air conditioners? How were we able to manage that? I wanted to understand because AC category would have fallen much higher than this, right?

Yashovardhan Sinha: No, no, AC has not fallen as such. I told you AC contributed around 42% of our entire turnover, and there was a degrowth of only 2%.

Renjith Sivaram: Okay. Despite a bad summer in the same store sales growth in summer.

Yashovardhan Sinha: Yes, sir, despite the bad summer. So our negative SSG, just denote that the other branches also performed, which opened after that period in trailing 12 months.

Renjith Sivaram: Okay. And sir, for the full year, how do you see the same-store sales growth for FY '26?

Yashovardhan Sinha: Definitely, I believe that we will be in positive territory. And given that we have got another 3 quarters with us and this all festive season, everything is coming very quickly. So we are quite confident and optimistic that the remaining period will be good.

Renjith Sivaram: Okay. And overall sales growth guidance, have you given any number or any color?

Yashovardhan Sinha: I don't think any guidance can be given on the top line as of now.

Renjith Sivaram: Okay. Okay. But you are confident that it can be better than last year?

Yashovardhan Sinha: This is what I believe, Renjith, and I don't think you will differ with that. If rainfall has been very good across these states, so that has been -- there will be a bumper crop, which is to come. And as you know, that mostly it is agrarian society entire this area.

So I think that, there will be considerable money left with the customers. And given I told you that in Bihar also, this is a unique, in fact, scheme, 125 units free. It has been kicked off from today. So that will also give a psychological effect to people that, yes, let us go and buy, we are getting free electricity. So these things, I think these will act as a tailwind. And of course, considering that even personal income tax has been lowered. So these I think this will be giving us good traction.

Moderator: The next question is from the line of Rajiv Bharati from Nuvama.

Rajiv Bharati: Sir, in terms of inventory, volumes sold in Q1 this year versus last year -- this quarter, and similarly last quarter last year. And then in the remaining part of last year, what was the volumes sold? And what is the inventory in -- AC inventory in particular, which we are carrying right now?

Yashovardhan Sinha: I have already spoken, Rajiv, that we are at a comfortable level, like you have to have at least even in smaller showrooms, you must have AC on display as well as you must have keep in your warehouse also, minimum 1 plus 1. So whatever our requirement is there with 180 branches and coupled with around 12 brands we are, in fact, selling. So these altogether, we are quite comfortable in that. So I don't think there is any problem in any liquidation or we'll be desperately looking for any support.

Rajiv Bharati: So why I'm asking is, if I heard you correctly, you said INR548 crores is the inventory which is sitting in the system right now versus INR380 crores and this you're talking about across the brands, right? If I attribute that -- this is a 44% growth. The network is not expanding by a similar amount. And this AC's, I was thinking that in terms of ASP also wouldn't cover for the delta. So there is some inventory which will get stuck if we attribute that the proportion of inventory.

Yashovardhan Sinha: You should calculate by adding 29 stores in trailing 12 months as well as another 7 stores -- another 5, 6 stores are to be opened. So we have to have inventory for those stores also. These things you will miss from the finer print, but this is what will be required. So if you will add all the branches altogether and given that- in fact, this is not end of the season for

AC.

This is just -- we have just started in August. If we are comfortable in July, in August, also we -- AC sale is there in August. Of course, around about not less than 10,000 ACs are sold in August also. So I don't think there will be any problem. And we have to keep that bit of stock to see through August and September.

And in these -- in modern times, AC has not become product for only summer season. In fact, these days, ACs are selling around the year. Of course, peak comes in Q1 and -- but -- and it gradually peaks out in July, August, September. So this is it. I don't think that is a matter of concern.

Rajiv Bharati: So sorry to harp on this. If you can just specify Q1 versus full year volume, what is the ratio usually? I mean, historically, what is the ratio of AC volumes?

Yashovardhan Sinha: Entire AC, it will be around 65%.

Rajiv Bharati: In Q1, right, of the entire thing?

Yashovardhan Sinha: Yes

Rajiv Bharati: Okay. Got it. Sir, the other part is your Western UP foray. One, how is the initial ramp-up has been in, let's say, year 1 performance versus how we have been in Eastern UP? And also, what is the right to win in Western UP because there are other guys also entering that micro market from Western side?

Yashovardhan Sinha: So you must have seen from the investor presentation that we have already -- UP has surpassed Jharkhand as a percentage of sales coming to Aditya Vision. So of course, this corroborates our statement that UP is doing very well. So I can only say that, yes, UP has been doing well. And now that we have expanded to Central UP and further we are going to expand beyond Central UP towards West, we are getting good business.

Moderator: The next question is from the line of Onkar Ghugardare from Shree Investment.

Onkar Ghugardare: So generally, normally, the 40% business of yours like the revenue and 50% profitability comes in the first quarter itself. So given that situation, currently, how the situation has been for the quarter 1? How do you think the year could pan out as 40% revenue and 50% profitability comes in Q1?

Yashovardhan Sinha: Yes, that -- I think, of course, it is going to have -- take it to Q1 because Q1, we have been growing at the rate of not less than 30% in past years. And this year, as I said, that this was totally different. It was a freak year Q1 altogether. So that will have its impact on our entire

year's performance.

But we are quite confident that with added branches network of around new 45 branches, we'll be able to do much better than what growth we have got in last year's Q2, Q3 and Q4. So I think these are going to help us in getting our top line right. But it is too early for me to tell you and give you any guidance.

Onkar Ghugardare: Okay. So what has been the contribution of the mature store and newly opened store in Q1?

Yashovardhan Sinha: That figure I'm not having.

Onkar Ghugardare: So like tentative figure, if you can give like how much they are contributing?

Yashovardhan Sinha: Onkar, actually, it is an ongoing thing. Since we are a rapidly expanding company, so every, let us say, new stores are coming up regularly. So it's very difficult for us to tell you that exactly the whole year, we can say, but some stores have opened in the last month, some opened stores in February, some in March, some in January. So it will not be a right comparison.

Onkar Ghugardare: Why I'm asking this question is because like I just wanted to know how much the new stores have contributed so far in the top line? And how much potential they have to?

Yashovardhan Sinha: You can find from the what figures I have given you. In fact, if our -- overall, we have -- our sale has increased by 6%. But our SSG has come down by minus 4%. So you can easily calculate what contribution they have given.

Onkar Ghugardare: And you have guided for 200-plus stores in FY '26,. So just wanted to know beyond that, do you have any target in mind for this division? How much stores can be added every year?

Yashovardhan Sinha: We are quite confident of adding 25, 30 stores, but we are -- in fact, we want to add even more stores because we are getting very good responses in new areas. But these are -- as always, we have guided conservatively, and we always say that it was there in the investor presentation also that we'll be adding minimum 25 stores every year.

Onkar Ghugardare: Okay. In the earlier presentations, you had mentioned about what kind of growth rate you will be growing at. I don't see that kind of target given in this presentation.

Yashovardhan Sinha: As you know that we have been going, what do you expect? What you take the past for the future. But if something goes wrong, sometimes it's not in your hand. So this was the quarter I've been telling all, -- I gave you the figures also that how weather behaved

strangely in this quarter. So maybe we may not be achieving our, let us say, guidance. But we have always been guiding about 20%, 25% of the growth in sales, which even now our team remains confident of achieving.

Moderator: The next question is from the line of Yash Sonthaliya from Edelweiss Public Alternatives.

Yash Sonthaliya: Yes. So my questions are related to our UP market. So 2 questions over there. First, going ahead, when we are saying we are going to open 20, 25 stores and maybe 18-plus stores in this year. So what would be the proportion of Tier 2 and below and Tier 1 and above cities in this store expansion?

Yashovardhan Sinha: We are -- right now, we have been focusing on Tier 2 cities only, and that's it. We are already present in Lucknow. And we are focusing in -- I would rather not like to divulge what we are intending to -- where we are intending to open. That will not be in company's interest. But mostly now this Western UP will be our next place where we are going to open new stores.

Yash Sonthaliya: Understood, sir. And while you already alluded about the performance in UP, right now, are we giving any extra discounts or anything extra gifts or offers to the customers, which are impacting our margins in UP?

Yashovardhan Sinha: Not at all, Yash, not at all. It is a basket. The margin comes in basket and UP behaves similarly as Jharkhand or similarly, almost similarly as Bihar.

Moderator: The last question is from the line of Manoj Gori from Equirus Capital.

Manoj Gori: I think the overall performance has been somewhat assuring in the current environment, especially on the inventory side. So my question is, if I look at probably we have been guiding roughly around 20%, 25% growth. So obviously, keeping aside our 1Q performance, which is now gone, and is behind us. Should we expect similar kind of growth probably from 2Q onwards for the rest of the year because now probably summers largely are done? And should we expect similar kind of momentum from 2Q onwards?

Yashovardhan Sinha: Yes, Manoj, definitely. What you are saying is right, Q1 is behind us. And of course, Q1 was impacted by weather and AC was the key reason. And for Q2, Q3 and Q4, it will not be that dominant in our category sale, the ACs. So we are quite very confident of achieving that.

Manoj Gori: Right, sir. Sir, secondly, what I was also observing, if you look at now we are opening more stores in non-Bihar markets. So -- and when we -- when I look at the Q1 margins as well on Y-o-Y basis, gross as well as EBITDA margin have been flattish. So especially on the gross margin being flattish, all the markets, key markets like UP, Bihar and Jharkhand

operate probably the product mix is largely similar, similar kind of pricing. This is the trend should we assume in the coming years?

Yashovardhan Sinha: I think so, yes. And it is quite similar. This is what is the story all about for Aditya Vision. Whatever we are -- in fact, it is going to remain stable till all -- this area of geography, they behave in the similar pattern. So I think going forward, in future also, we are going to have the same category sales.

Manoj Gori: Sir, lastly, if I look at probably a few quarters back, we were talking about Chhattisgarh as a new market opportunity for us. And somewhere we were targeting to get into this market in FY '26 or probably later into FY '26. So currently, at least for FY '26, we are not getting into this market. And probably we will focus more on strengthening our presence into UP. Is this understanding correct?

Yashovardhan Sinha: We cannot. In fact, right now, we can commit it because we are looking at those markets, what you said, Chhattisgarh market. So we won't say that we will not be entering. Maybe in Q4, we may be entering in these markets.

But right now, what I said that right now, we are not, in fact, expanding in Chhattisgarh as of now. But it is a long way ahead. Just 4 months have elapsed out of 12 months. And so by end of this year, I think we'll take a call by Q4 to expand in Chhattisgarh, but that's definitely in our agenda.

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

Yashovardhan Sinha: I thank all of you who were attending the earnings call and sparing valuable time. Thank you very much. Have a good time ahead. Thank you so much.

Moderator: Thank you, sir. On behalf of Emkay Global Financial Services Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.