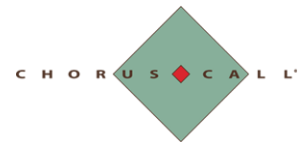




“Symphony Limited
Q2 FY '26 Earnings Conference Call”
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MODERATOR: **MR. MANOJ GORI – EQUIRUS SECURITIES PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Symphony Limited 2Q FY '26 Earnings Conference Call, hosted by Equirus Securities Private 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 the conference call, please signal an operator by pressing star then zero on your touch-tone phone.

I now hand the conference over to Mr. Manoj Gori from Equirus Securities Private Limited. Thank you, and over to you, sir.

Manoj Gori: Yes. Thank you, Rutuja. Hello. Good afternoon, everyone. Welcome to 2Q and H1 of FY '26 earnings call of Symphony Limited. From management side today, we have with us Mr. Achal Bakeri, Chairman and Managing Director; Mr. Nrupesh Shah, Managing Director, Corporate Affairs; Mr. Amit Kumar, Executive Director and Group CEO; and Mr. Rajesh Mishra, CEO, International Business.

I would now request Mr. Achal sir to start with the opening remarks. Over to you, sir.

Achal Bakeri: Thank you very much, Manoj, and a warm welcome to all the participants to this call of Symphony today. Thank you very much for being here. To begin with, let me be upfront that our performance of last quarter has been very disappointing, very much for us and as I'm sure as it is for you. But to put things into perspective and sort of set the context, for the first 6 months i.e. H1FY26, this was still the third highest performance that the company has delivered. And for the previous quarter, which ended in June '25, it was the second highest in the company's history. Not that it matters as far as all of you are concerned, what you really expect from us is to deliver growth every quarter, quarter-on-quarter and Y-o-Y. So that's our job, and that's what we are supposed to do. But being in a seasonal business, the nature of the beast is such that you are dependent on factors beyond your control. And while we had a phenomenal summer in 2024, the summer was phenomenally bad in 2025. As I'm sure all of you know, the entire air cooler industry has degrown substantially and the sales of air coolers of all our competitors have also degrown substantially.

So, our performance is more or less in sync with what's happened at the overall market level. That said, the heavens haven't fallen. We are here to make sure that we'll be trying our best to deliver better performance going forward. And we are sure that the next summer will not really be as bad as summer '25, it may not even be as great as the '24 summer. But even if it's a normal summer, the company should do very well.

We do have very high inventory levels in the channel, which is why the performance in the September quarter hasn't been what it should have been. But that inventory should sort of normalize as we get into the season. And the season should fare certainly very well. So essentially, that's what I had wanted to say that while the performance is very disappointing, we shouldn't draw conclusions from it because at the same time, company is also working on other product categories, which are either counter seasonal or year-round products such as our industrial coolers or our water heaters, our tower fans, our kitchen coolers, exports from India.

So, we are working on various other avenues of revenue as well. Agreed that those are yet to be substantial individually. But together, all of them have been contributing significantly over the last several quarters. So, with that, all I would like to say is that we expect good times in the future, while accepting that what we have gone through has been disappointing to put it mildly. Thank you.

And I'll hand over to Nrupesh Shah to make a presentation, post which we are all here to address your queries. Thank you.

Nrupesh Shah:

Thank you, Achal bhai, and good afternoon. So, for the quarter, the top line has been ₹155 crores on a stand-alone basis vis-a-vis ₹259 crores for September '24, while EBITDA stood at ₹27 crores versus ₹72 crores and profit after tax stood at ₹28 crores versus ₹67 crores. As Achal bhai mentioned, this is spillover of subdued summer or bad summer of '25 and on top of it, high base of last year.

And it is on account of Round The Year (RTY) product portfolio, which we have very carefully developed and nurtured over a period of time, which includes Large Space Venti cooling, Tower Fan, Kitchen Cooling Fan, Water Heaters and Exports from India. In all, to an extent, it has saved the day as they have contributed about 21% of the top line for the quarter and ~ 26% of the top line in trailing 12 months. And hence, that has led to first 6 months top line, third highest, even though Y-o-Y, there is a major degrowth. So, this is based on the compilation of the data we have done for last 11 years, quarterly as well as first 6 months. And in that respect, in the past, we have seen the quarters like this, and we have always rebounded much stronger, much better, and that's what we expect. And a lot of work is being done and is in pipeline in that regard. As far as EBITDA margin is concerned, it has declined mainly on account of operating deleverage. And we have also launched the product for the mass consumers and mass products. So that has, to an extent, impacted the product mix. We have launched 9 new models of air coolers. In Air Force range, it is from 3 to 7 SKUs, and that is targeted towards mass market as well as rural and semi-urban market, while in water heater, total new 8 models viz. 6 storage and 2 instant.

Coming to the update about the pathway recovery, which we had completely provided for by Dec'24, about ₹50 crores. So earlier, we received ₹4.5 crores and in October, post 30th September, we have recovered additional ₹4 crores. And all legal steps are being pursued aggressively, in addition to creation of charge in our favour on all the valuable real estate held by promoters as well as the company.

And about interim dividend, it is ₹1 per share, that is 50% and total payout in first 6 months towards that is approx. ₹14 crores.

So about first half of financial year '26 on standalone basis, top line is ₹384 crores, EBITDA is ₹50 crores, and PAT stands at about ₹65 crores, down from ₹136 crores. While capital employed in the core business is ₹16 crores and total treasury as on 30th September stands at ₹577 crores versus ₹685 crores. And this translates into ROCE (%) - on the core capital employed in high 4 digit mainly on account of negligible or negative working capital and capital employed.

About consolidated financials. So that covers continuing operations, i.e. Symphony India, GSK China, and Brazil put together, top line of ₹163 crores, down from ₹289 crores and EBITDA of ₹25 crores, down from ₹76 crores, while PAT on continuing operations stand at ₹25 crores.

Coming to operations proposed to discontinue, which includes Climate Technologies, Australia and IMPCO Mexico, the PAT for the quarter is negative ₹6 crores better than September '24, wherein it was negative ₹14 crores. And all in all, combined PAT, all companies put together is ₹19 crores. So at a consolidated level for April to September '25, top line stands at ₹414 crores, down from ₹682 crores, EBITDA stands at ₹50 crores and PAT from continuing operations stands at ₹64 crores, discontinued operations is negative ₹3 crores versus positive ₹1 crore. And all put together, consol PAT stands at ₹61 crores.

So at a consolidated level, capital employed stands at ₹288 crores versus ₹286 crores, translating into ROCE in the core business of 64% and return on net worth of 17%.

Coming to subsidiary financials. About GSK China for the quarter, top line is up from ₹25 crores to ₹32 crores. EBITDA stands at ₹3 crores and PAT at ₹2 crores. We are happy to share that there is a strong growth momentum, and that has been sustained in GSK China, and it is advancing towards completely debt-free company very shortly. So, about IPR update, which was shared earlier, all in all, out of ₹45 crores, ₹22 crores has been already paid off by GSK China from its sale proceeds to IMPCO Mexico and remaining about ₹23 crores is expected to be received in December quarter.

And at the peak, the loan given by Symphony India to GSK China was ~ ₹61 crores, which currently stands at about ₹27 crores, and that should be completely paid off in ensuing quarters. About IMPCO Mexico for the quarter, which is nonseasonal quarter as far as air cooler goes, but on account of other products, the top line is up from ₹10 crores to ₹17 crores and EBITDA is minus ₹4 crores versus minus ₹5 crores.

And as far as Climate Holdings (previously known as Symphony AU), Australia is concerned, it continues with somewhat growth momentum in line with past 3 quarters, top line is up from ₹30 crores to ₹35 crores and EBITDA losses have reduced from ₹9 crores to ₹7 crores. So, the transformation that we have initiated is completely executed and the focus is on increase in the top line and profitability.

So, about the strategic outlook and the way forward. On the one hand, we are cementing our core leadership in the air-cooling business and on the other hand, strategic resilience beyond seasonality, that is the product selling around the year. So as far as cementing core leadership in air cooling goes, the omnichannel acceleration is going on very well, leveraging digital platforms and alternate channels, not only in sales and marketing, but in various operations. There is a targeted penetration in semi-urban and rural market, coupled with suitable products and dynamic product expansion, including for masses and semi-urban and rural market, including Air Force range of products. While coming to round the year products, we expect that there is a huge potential and growth momentum. So, the suitable dealer and distribution network, along with the omnichannel network, is continuously being beefed up in that respect, which is not

necessarily the same as far as domestic air coolers are concerned. So that is also adding to the diversification. And we are prioritizing on high-margin growth markets and export-led expansion from India. Thank you.

- Moderator:** The first question is from the line of Shraddha Kapadia from SMIFS.
- Shraddha Kapadia:** So actually, this is mainly with regards to the inventory. So, what is the current inventory holding in the GT and the B2B channel versus the normalized levels? And by how or by when do we expect the full channel to get normalized?
- Achal Bakeri:** So, while the inventory is a little higher than the previous year, but we have to understand that, that is despite a much lower sale from us. So, there has been a decompression in sales at the GT level, which is causing sort of a negative sentiment amongst the players for the moment until the season picks up. And what was your second question?
- Shraddha Kapadia:** So, when do we expect this to normalize?
- Achal Bakeri:** So that would get normalized, as I said in my opening remarks, as we get closer into the season.
- Shraddha Kapadia:** Okay. Perfect.
- Nrupesh Shah:** Yes. That is normal phenomena every year. Otherwise also, during the off-season, whatever is the offtake or carry-forward of inventory, trade is used to carry forward and stock it until the summer season starts.
- Shraddha Kapadia:** Sure, sir. Also, are the distributors very cautious in placing the orders? And if so, what are the steps that we are taking to rebuild the confidence?
- Amit Kumar:** So, Shraddha, as we said earlier, there is slightly higher than normal stock at this point in time compared to, let's say, a typical year. So, there is some caution in the channel. At the same time, post especially the festive season sales that have happened, the channel we anticipate is getting better. And we see that the buildup to the season going forward should start smoothening the overall channel sentiment.
- Shraddha Kapadia:** Sure, sir. Can I ask one more question?
- Amit Kumar:** Yes, please.
- Shraddha Kapadia:** Yes, sure. So also, how much would be the contribution of our round the year portfolio right now to our revenue?
- Amit Kumar:** Yes. So, as we mentioned also during the call, I'll repeat, for H1, it was about 26% of the total H1 sales.
- Moderator:** The next question is from the line of Keshav Lahoti from HDFC Securities.

- Keshav Lahoti:** Sir, as you highlighted, channel inventory is slightly higher than normal. So, can you please quantify like normally how many days it is now in terms of Q3 sales? And just a follow-up on this. Is it a fair understanding you mean by the time the season comes, so you mean there will be higher channel inventory maybe possibly by FY '26 end. So, your Q3 and Q4 performance still would be impacted by higher channel inventory?
- Amit Kumar:** So Keshav, let's say, may be if I look at last 2 years, typically, the first quarter billing that we do is, give or take, about 20% to 25% of the full year number, which said differently, let's say, end of the Q2, the channel carries about, let's say, anywhere between 25% to 30% of the season sales as part of the inventory. At this point in time, it's slightly higher than that. And typically, starting January to February, this inventory level starts going down because the materials start moving both at the retailer level as well as to some extent to the consumer level.
- Achal Bakeri:** Also, January - February 2025 were fairly warm. So, we had very good sales in those months and tertiary sales or retail sales at the dealer level. And hopefully, the same thing will happen again this year. So, by the end of the year, at least the last quarter, the sales should be sort of back on track and so should the inventory.
- Keshav Lahoti:** Got it. Possible to quantify, as you said, 25%, 30% is normal inventory normally at this point of time, but how much is it right now?
- Achal Bakeri:** Difficult to quantify.
- Keshav Lahoti:** Understood. Got it. As you highlighted, the nonseasonal products like is 26% of your sales like tower fan and others. So how has been the growth in that product portfolio year-on-year?
- Nrupesh Shah:** So, there has been a decent growth and almost in line with the business plan. And that consists of tower fan, kitchen fan, large space venti cooling, water heater and exports from India. Healthy double digit.
- Keshav Lahoti:** Okay. That is good to hear means your cooler is possibly would have declined more than 50%?
- Achal Bakeri:** Not really. Cooler has not declined more than 50%. Cooler has declined more or less in line with the shrinkage of the industry.
- Keshav Lahoti:** Got it. One more thing. So, your market share according to you has broadly been stable in the H1 FY '26. It hasn't changed, moved much.
- Achal Bakeri:** Absolutely. The market share when we talk about the national brands, the organized sector players, our market share has remained the same. Now if people consider a lot of the unorganized smaller brands, then of course, if you increase the denominator, then everybody's market share would decrease, not only Symphony, but even the top 5 -7 players. So, if you ignore the long tail of which there are more than 100 players, then our market share has remained the same.
- Keshav Lahoti:** Got it. Any impact of U.S. tariff?

- Achal Bakeri:** Not much so far because our only competition is with China, and China is worse off than us. So, in that sense, it hasn't really impacted us to a great deal at least till now.
- Keshav Lahoti:** Got it. If I see your quarterly results, your rest of world revenue have dropped to ₹20 crores from ₹50 crores year-on-year. What is the reason for such a sharp drop? And lastly, how are the things going on divestment side of the 2 subsidiaries? Any breakthrough? When should we expect it to happen?
- Nrupesh Shah:** No. So about drop in subsidiary sales. Last year, we had preponed the sale to Brazil, and that was registered in September quarter. Brazil is our trading subsidiary, and ideally, its performance should be viewed on an annual basis because it is quite skewed to one or two quarters, mainly on account of that. Otherwise, as we saw for the quarter for IMPCO Mexico as well as for GSK China, there has been growth. Of course, for IMPCO Mexico, in the first quarter (June quarter), there was a degrowth. So, for six months as a whole, one is IMPCO Mexico and the second is Brazil. And your second question was related to IB transaction. So, process is on. Information memorandum has been submitted, and we have received some letters of interest, and they are being suitably dealt with.
- Keshav Lahoti:** Okay. So, as you mean by letter of interest, so possibly surely, we have buyers for both the subsidiaries, just the transaction amount, which is possibly where we are stuck over, but buyer is not an issue.
- Nrupesh Shah:** This is a sensitive matter and at this level, it will be too premature to share anything in that respect beyond this. So as and when there is any major development, obviously, we will come out with the necessary updates.
- Keshav Lahoti:** No, no. I'll just tell you what I'm trying to understand normally what happens at time we want to divest. It just happens that there is no buyer, so it might take years. So, the question was more on that side, at least we have interest. So, it's just a matter of a couple of quarters, maybe 2 quarters, 4 quarters or 6 quarters. So how are the things looking, the initial signals?
- Achal Bakeri:** Yes. Quite a few parties have signed the NDA, and we have shared our information memorandum with them. So, they are in the process of evaluating and hopefully taking the next steps.
- Keshav Lahoti:** Got it. That is for Mexico and Australia, both.
- Achal Bakeri:** Both.
- Moderator:** The next question is from the line of Manoj Gori from Equirus Securities.
- Manoj Gori:** Sir, a couple of questions. One, when I look at the product mix, obviously, we did launch some of the mass segment products. So probably, is it for the time being and probably in the coming quarters or for the season of next year, we should relatively see a better product mix and probably the product mix should return back to those normalized levels. And accordingly, the gross

margins also should come back to normal levels. Is that the right assumption? Or any insight there?

Amit Kumar: So, Manoj, that's an interesting question. And if I were to just delve into this slightly differently, the expanded product portfolio that we are talking about is basically from the perspective of capturing a larger share of the metal air cooler market that is slowly converting into plastics. So, we are actually trying to gain a chunk of that market. So, from an overall top line perspective, this is clearly accretive. If this portfolio becomes a significant share of our total numbers, then at the GM level, maybe there is 1% or 2% point kind of impact. But at the absolute value level, this is going to be very clearly accretive. So that is the approach with which we are driving this added segment.

Manoj Gori: So overall, your revenues will be aided by this volume. So, this will be over and above your normal performance. And accordingly, typically, gross margins might look a percentage or 200 basis points lower. Is that understanding correct?

Amit Kumar: That's a possibility. Again, the top of the funnel, for example, even at the top, if you note some of our recent launches, products like Silenzo and Arctic Circle and all, they are at a super-premium level. Those are categories that we are trying to build. So, depending upon how the balance works out, once the full season is over, we'll have a better picture. So as of now, we are holding our horses on this. We'll have to just see which way the balance turns up finally.

Nrupesh Shah: And Manoj, the EBITDA margin percentage is ultimately not merely the function of this. It is also the function of overall economies of scale and top line. Even though something here and there happens at gross margin percentage. Positive or negative.

Manoj Gori: Secondly, my question was on the channel inventory side. Obviously, in the past also, we have seen summers being bad. Probably this year, it was an outlier year and probably one of the rare summers that this industry would have seen.

As compared to historical years when the channel used to carry inventories into 2Q and 3Q in terms of the overall channel level, are the inventories even higher than those levels? Like this year, it was a bad year. Previously also, we have seen those worst years. So, whether the inventory levels in the channel are still higher than that.

Amit Kumar: So Manoj, at an absolute level, the inventory levels might be closer to what we had, let's say, at the same time last year or maybe slightly here or there. One aspect is because the summer this year was not as great in terms of the morale of the channel for the first few months, it was a distraction, which is what we are addressing now. And hopefully, by end of the current quarter, both the mindset and the numbers will settle closer to their historical kind of means.

Manoj Gori: Right. So probably by Q3, channel inventory should be normalized, though there will be some impact on this sentiment. Once the summer onset for CY '26, we might see channel probably getting that positive booster to go aggressive on primary purchases. Is that right?

Amit Kumar: That would be a reasonable way to frame it.

- Manoj Gori:** Right. And lastly, we have seen into other cooling products a number of support schemes being offered by brands across. Any schemes that we have offered to our channel partners? And if yes, by when should we expect that these schemes will continue?
- Amit Kumar:** So Manoj, different years, we come up with different schemes. So obviously, this year also, we have offered schemes which are in line with these challenges that the channel is facing. So, every year, the structure of these schemes is different, and we offer schemes both for distributors and dealers. So, the scheme for this year also have been designed keeping the current year's specific challenges in mind. A good chunk of our schemes is already out in the market. And we anticipate that now after the festive season is over and overall channel mindset is on the upswing, these schemes will also start adding to the overall traction in the market.
- Moderator:** The next question is from the line of Siddhant from Goodwill.
- Siddhant:** I just had one question. What is the channel saying about customer feedback on the AC GST cut because now the delta between a cooler and AC has come down, right? So, will there be margin pressure over there?
- Amit Kumar:** So that's an interesting question, Siddhant. And there's always a point where there is channel pressure on pricing using one way or the other. So that's something we have to live with and we handle. But I wouldn't say that's a material impact in our case. Those points come and they are part of the discussions we handle on a day-to-day basis in any case. And yes, the overall pricing gap is still pretty wide between, let's say, an average air cooler that we sell and an average AC that is there in the market.
- Moderator:** The next question is from the line of Keshav Lahoti from HDFC Securities.
- Keshav Lahoti:** Just a follow-up. As I can see your total top line has declined by more than 40% if 1/4th of your portfolio has grown. So possibly the 3/4th portfolio definitely have to decline by more than 50% to derive at such a sharp decline. So, am I seeing in the right way?
- Nrupesh Shah:** So of course, there is a sharp decline, but it is lower than 50% during the quarter. And if we talk about first 6 months, it is even lower than that. But there is a sharp decline.
- Achal Bakeri:** And it's more or less in line with the decline of the overall industry, the air cooler industry. Of course, the air conditioner industry and the fan industries have declined, but not as sharply as the air cooler industry. But our decline is more or less in line with our peers and the overall industry.
- Nrupesh Shah:** And in the past, when there was subdued summer like this, I think this has always happened. So, this is not new to us.
- Keshav Lahoti:** Understood. Got it. So, is it possible to attribute like how much would this decline be because of channel inventory and how much would be because of weak demand?

- Achal Bakeri:** All because of weak summer. Nothing because of demand. The demand is because of the summer, the inventory is also because of the summer. That's all. The sentiment is also because of the summer. And one good month and this entire sentiment and inventory, everything can change. One good month, not even a one good summer.
- Keshav Lahoti:** Right, right. We have seen that. So, at this time, possibly your market share is stable on organized side, but unorganized would have gained market share. Is that a fair reading?
- Achal Bakeri:** No, unorganized is being considered in the overall game. But they were always there, and they were always disproportionately large. They were always much greater than the organized sector, and that continues to be so. Now suddenly, if you include them as organized, and if you consider them as organized, then everybody's market share has shrunk. The total organized sector market share would shrink because you are expanding the denominator.
- Keshav Lahoti:** Got it. So what I'm trying to understand, whatever the decline the company has reported 40% - 50%, whether the unorganized have also declined by a similar number or whether their decline would be lower than this?
- Achal Bakeri:** We have no idea specifically about the unorganized sector. We know overall for the industry, we know overall for our peers. The unorganized sector by definition is unorganized. Data of unorganized sector by definition is not available.
- Moderator:** The next question is from the line of Vinay Nadkarni from Hathway Investments Private Limited.
- Vinay Nadkarni:** Just one understanding. Can you quantify what is the inventory in rupee terms that we are holding? And how was it compared to last year same time?
- Nrupesh Shah:** We haven't got much inventory because our business model is like this. So, if you are referring that at a company level, inventory is by and large in line with previous year.
- Vinay Nadkarni:** But in the channel?
- Nrupesh Shah:** No, channel, we already answered in a different way. But just to repeat it, as there was a hangover of subdued summer and hence, carryforward of inventory, as on 30th September '25, the channel inventory was, by and large, in line with something here and there as on 30th September '24 because whatever was the carryforward of inventory to that extent, sales decline happened in September quarter.
- Vinay Nadkarni:** Okay. The reason I'm asking this is last year same quarter, we had said that we are pushing ahead with record inventory into the market. So, I was just wondering whether a record inventory into the market and because the channel has completely cleaned up because of brilliant summer last year. So that inventory and a bad summer, is it something that is impacting your working capital position today?

- Achal Bakeri:** No, not at all. We manufactured last year. We weren't really carrying much inventory. We manufactured last year if you're talking about '24. We manufactured to sell in those off-season months. So, there was no significant inventory sort of carried forward from the summer last year.
- Nrupesh Shah:** And you are referring to working capital pressure. Are you referring at a company level?
- Vinay Nadkarni:** Yes. Because see, you do primary billing for your general trade partners, but for the large format stores, I think you do sales or return, right? So that's why I'm asking.
- Nrupesh Shah:** So, in that respect, there is zero impact on the company. In fact, you might have joined late in our corporate presentation, we saw we are sitting on treasury i.e. surplus funds at ₹577 crores as on 30th September '25, which was about ₹685 crores previously. So rather than explaining anything that itself is self-explanatory, ₹577 crores versus ₹685 crores, that is a surplus treasury, we are sitting on it.
- As far as modern trade is concerned, no sales happen in September quarter. So, there is no question of any outstanding receivables. And during off-season, whatever we sell, it is to general trade. And with general trade, our trade terms are very clear since many decades, and it is with 100% advance, including this quarter. And hence, we have also shown that capital employed in the core business is just ₹16 crores.
- Vinay Nadkarni:** Yes.
- Moderator:** The next question is from the line of Siddhant from Goodwill.
- Siddhant:** Yes. So last year, when we had a strong summer, we missed out on some sales because it was one-of-a-kind summer. So, this year and going forward, are we better prepared to ramp up production in case such a season comes up? So, what have we done for that?
- Amit Kumar:** So absolutely, Siddhant, that's something that we have very clearly worked on and prepared for. So, at the back end, building that kind of scalability and operational agility is something that we are fully geared for.
- Moderator:** The next question is from the line of Mahesh from HDFC Securities.
- Mahesh:** So, what is the current demand scenario, is there any improvement in demand?
- Amit Kumar:** See, Mahesh, for the core category that we operate in at this point in time, there's hardly much consumer demand. Most of this is basically advanced planning jointly with our channel partners and placing materials as primary sales from our side. But the consumer demand will only be clearer or will only start sort of coming into the market mostly from January, February out there.
- Nrupesh Shah:** However, if we can consider until GST rate cut, even at a channel level, across channel, across consumer durables, there was a high inventory because of GST cut and good festive demand, by and large, trade channel has done decently well and many trade partners were actually having cash flow issue. But that is substantially rationalized, and we expect that, that should translate

into better sentiments and demand at least from trade partners in a current and ensuing quarter. And in response to that, we have also launched some scheme in the current quarter so as not to miss on that opportunity.

Mahesh: So, October also witnessed double-digit decline?

Nrupesh Shah: No, month-to-month, we actually don't track the data. It is more about the quarterly that too for analyst purpose. Otherwise, for our company, what matters is the annual performance.

Mahesh: Sir, what was our channel mix in Q2?

Nrupesh Shah: It is mainly general trade and partly D2C.

Mahesh: Okay. And sir, one question on channel inventory. So, the H2 inventory was higher in comparison to year-on-year. Is my understanding correct?

Nrupesh Shah: No, we answered that including giving the comparison of September '25 versus September '24. So even at the cost of repetition, as on September '25, overall channel inventory as per the data available with us is almost in line with as on 30th September '24, something here and there. The reason being whatever was declined in September '25 quarter sales that has automatically adjusted in channel inventory. So in other words, by and large, at this point of time, traditionally or historically, what channel carries forward the inventory is around the same.

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

Achal Bakari: Thank you very much, everybody, for your participation and your interest in our company, and we look forward to having you back with us in 3 months. Thank you. Bye-bye. Have a pleasant afternoon.

Nrupesh Shah: And also thanks to Equirus for hosting this conference call. Thank you.

Moderator: Thank you. On behalf of Equirus Securities Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.
