Management Discussion

Devanshi Kamdar - Analyst, Access Capital
Good evening, everyone, and thank you for joining us today for Aditya Vision's Q1 FY '27 Earnings Conference Call. We are glad to have the senior management team with us, including Mr. Yashovardhan Sinha, Chairman and Managing Director; and Ms. Yosham Vardhan, Whole-Time Director. First of all, congratulations to the management team on delivering an excellent start to the year. I will now invite the management to share their opening remarks, after which we will move into the Q&A session. Over to you, sir.

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Thank you, Devanshi. Good evening, ladies and gentlemen. Welcome to Aditya Vision Q1 FY '27 Earnings Conference Call. Our earnings presentation and financial results for the quarter have been uploaded to the stock exchanges. We trust you would have reviewed it by now. I'm pleased to share that Aditya Vision has delivered another quarter of strong profitable and market share-led growth despite challenging conditions, reflecting the resilience of our business model and disciplined execution of our long-term strategy. Revenue for the quarter grew 27% Y-o-Y, ahead of our long-term growth aspiration of 20%, 25%, driven by continued market share gains, healthy demand across key product categories and the contribution from our expanding store network and strategic diversification of showrooms in different geographies pan-India. This steady diversification across India insulates our business of weather-centric challenges, and we are gradually shifting towards more stable business throughout the year. As per our strategy mooted and implemented from last financial year, we have opened only three stores in Q1, thereby conserving our resources and optimizing it. This shift is clearly visible in our company's marked improvement in lowering OpEx, which has boosted our profits. The quality of growth was also equally encouraging. EBITDA stood at INR124 crores, while EBITDA margin expanded by nearly 90 basis points to 10.4%. Profit after tax grew 40% year-on-year to INR77 crores, with PAT margin improving by 61 basis points to 6.5%. The steady improvement in profitability reflects operating leverage, disciplined cost management and improving productivity across our maturing store network, coupled with sound strategies of optimization. Our performance becomes even more satisfying when viewed in the context of the operating environment. The quarter reflected the realities of consumption across Real Bharat, where purchasing decisions are often influenced not only by income levels, but also by household sentiment and short-term priorities. During the quarter, LPG availability concerns in large part of our market led to panic reactions in many households. With focus on prioritizing essential spending, consumer sentiments also remained relatively cautious of prompting some families to defer discretionary purchases. In many districts of our geography, fuel supply disruption resulted in discouraging consumers from impulsive and planned buying to preserve liquidity for a large period. The appeal from government to desist from buying gold and other import-dependent products further casted gloom over our customers' buying sentiment. This situation has improved since last quarter, but uncertainty still looms large in wake of continued West Asia war. As already spoken, weather pattern also remained significantly different across our operating geographies. While Eastern India witnessed a relatively mild summer, North and Central India experienced stronger and more sustained heat. Our expanding presence in Uttar Pradesh, therefore, proved to be a strategic advantage, helping offset relatively softer cooling demand across Bihar and Jharkhand. This demonstrated the benefit of our diversified geography footprint and enabled us to continue gaining market share despite localized disruptions. As you know, our business used to be built around

seasonal demand and inventory preparedness. We entered the summer with adequate inventory to service peak demand across our markets. As weather conditions evolved differently across regions, our supply chain and procurement team responded quickly by relocating inventory across states and optimizing product availability. This enabled us to maintain healthy sell-through while strengthening our working capital position. Inventory stood at INR663 crores as of June 30, '26, while working capital loan reduced to INR175 crores, reflecting efficient inventory management, healthy operating cash flows and continued liquidity prioritized balance sheet discipline. Our retail expansion strategy continues to progress in line with our long-term vision. During the quarter, we opened three new stores. Our network has expanded to 210 stores as on date. We remain firmly on track to add more than 30 new stores during FY '27. Following our successful entry into Chhattisgarh last year, we remain on track to enter Madhya Pradesh and peripheral regions of West Bengal. Our cluster-based expansion strategy allows us to leverage existing logistics infrastructure, vendor relationship and brand record, resulting in faster store ramp-up, superior capital efficiency and improved store level profitability due to penetration in newer markets. I would also like to share a very important governance update. In line with our commitment to the highest standards of corporate governance, the Board has approved the appointment of MSKA & Associates LLP, Chartered Accountants, one of the India's leading audit firms and an independent member firm of the BDO International Network as our statutory auditor. With our network now crossing 210 stores, we are entering the next phase of our growth journey. As our presence expands across multiple states and our store continues to mature, future growth will increasingly be driven by productivity improvement, operating leverage and more diversified geographic mix rather than store additions alone. Looking ahead, we remain optimistic, improving disposable incomes, increasing financing of penetration, supportive government initiatives and the upcoming festive season provide a favorable backdrop for demand. More importantly, we continue to believe that the long-term opportunity for organized consumer durable retail remains highly compelling, rising incomes, increasing premiumization, higher replacement demand and the continued shift towards organized retail across India's heartland provide a long runway for sustainable growth. With that, I now hand over the floor to Yosham Vardhan to take you through the financial highlights for the quarter. Thank you.

Yosham Vardhan - Promoter and Whole Time Director, Aditya Vision Ltd
Thank you, sir, and good evening, everyone. We are pleased to report another quarter of strong and profitable growth. Revenue for Q1 FY '27 stood at INR1,193 crores, registering a 27% growth Y-o-Y reflecting continued market share gains and healthy demand across our operating markets. Gross margin remained healthy at 16.1%, expanding by approximately 75 basis points compared to the corresponding quarter last year. EBITDA for the quarter stood at INR124 crores with EBITDA margin improving to 10.4%, reflecting an expansion of around 89 basis points year-on-year. Profit after tax stood at INR77 crores, with PAT margin improving by approximately 61 basis points to 6.5% reflecting disciplined cost management and healthy operating leverage. Our retail footprint continues to expand. As of June 30, we operate 210 stores, 120 in Bihar, present across all 38 districts, 33 in Jharkhand covering 22 of 24 districts, 54 in Uttar Pradesh, covering 30 of 25 districts and three stores in Chhattisgarh covering two out of 23 districts. FY '27, Bihar remained our largest revenue contributor at 72% for quarter 1, followed by UP at 16% and Jharkhand at 11%. Same-store sales growth for quarter 1 stood at 18%. We also witnessed a reduction of in inventory by INR177 crores compared to March 2026. Now the inventory stands at INR663 crores and reduction of short-term borrowing to approximately INR175 crores as of June 30, 2026. Thank you for your continued trust and support. We now open the floor for questions. We request all participants to ask

questions which have not been addressed either in earnings call or our investor presentation to save on time and enable us to take more questions from all of you.

Questions & Answers

Operator
Thank you very much. We will now begin the question and answer session. [Operator Instructions]. The first question is from the line of Shivam Gupta from Trinetra Asset Managers. Please proceed.

Shivam Gupta - Analyst, Trinetra Asset Managers
Hello, good evening and thank you for the opportunity.

Operator
Sir, can you please speak little louder?

Shivam Gupta - Analyst, Trinetra Asset Managers
Am I audible?

Operator
Yes.

Shivam Gupta - Analyst, Trinetra Asset Managers
What was the same-store sales growth in Q1? Also the growth mainly volume-led or higher product prices also contributed meaningly?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Can you repeat the second question?

Shivam Gupta - Analyst, Trinetra Asset Managers
Like the growth was mainly due to volume-led or it was higher product prices?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Okay. So our SSG in this quarter was 18% and which continued since last three quarters. So 18% was our SSG. And volume -- there was a volume growth as well as ASP growth both.

Shivam Gupta - Analyst, Trinetra Asset Managers
Okay. And my second is, like could you give some color on the product category, like how did AC, cooler, refrigerator, mobile and television perform?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
AC contributed to around 42% of our entire sales. And other cooling products, we don't give any figure for coolers or etc. These are small categories. And refrigerator contributed about 15%.

Shivam Gupta - Analyst, Trinetra Asset Managers
And how much of the older AC inventory still left also it can benefit continue in Q2?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Yes, of course, we have been -- June has been slightly hot. So it is continuing in quarter 2 also. And we are at a comfortable inventory level of AC.

Shivam Gupta - Analyst, Trinetra Asset Managers
Okay sir, that's it from my side. Thank you.

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Thank you.

Operator
Thank you. The next question is from the line of Yash from Edelweiss Public. Please proceed.

Yash Sonthaliya - Analyst, Edelweiss Public Alternatives
Hi team, thank you for taking my questions. I hope I'm audible.

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Yes, you're.

Yash Sonthaliya - Analyst, Edelweiss Public Alternatives
Yes. So I have three questions. So my first question is, like you already mentioned, the summer was delayed this time. So what was the run rate we ended June with the Y-o-Y growth for June? And if the summer was delayed, how was the month of July for us? Is the summer really good in July for us or not?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
July, I just spoke -- summer is good in July, and it has remained relatively hotter month. So it is a good one. What else you wanted to know?

Yash Sonthaliya - Analyst, Edelweiss Public Alternatives
Run rate of June, which was like proper Y-o-Y, the summer hit June for us. So what was the run rate growth run rate for June month?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
We actually, all three months equally contribute to our top line.

Yash Sonthaliya - Analyst, Edelweiss Public Alternatives
Got it. And another question is from OEM perspective, there has been a lot of raw material pressure. So has there any change in the incentives or contribution OEM provide in the EMI schemes or anywhere else in our part of the region or everything stays intact?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
I don't think there was any meaningful change in strategy. It was the same just like any other Q1. And there was no policy shift.

Yash Sonthaliya - Analyst, Edelweiss Public Alternatives
Got it. And one last question. Like now it has been a lot of time for some of our UP stores, around 19, 20 stores has been running for last two years or more than two years. So can you just provide some gist on what is the sales per store or EBITDA margin difference between the Bihar store and UP store who has been running for last two years?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Yash, I'm sorry, actually, we do not give this figure in our earnings call. So I can only tell you the share of UP as a state. So it has gone up from 13% Y-o-Y to 16% in overall sales, which is quite

robust. And from 14% -- even from comparing from Q-on-Q -- quarter-on-quarter also, it has gone up from 14% to 16%.

Yash Sonthaliya - Analyst, Edelweiss Public Alternatives
Got it. Thank you. That's all from my end.

Operator
Thank you. The next question is from the line of Nakul Gupta from Shikharji Advisors. Please proceed.

Nakul Gupta - Analyst, Shikharji Advisors
Hello. Am I audible?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Yes, go ahead, Nakul.

Nakul Gupta - Analyst, Shikharji Advisors
Congratulations, sir, for a great set of numbers. I just have one question, like what has been the rationale for entering West Bengal even when we are just entering Madhya Pradesh. Like in the past, we have entered one state per a year or so. But now in FY '27, we are heading to moving into two states. So how do you see that?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
It was -- Nakul, it was a very strategic shift. Actually, we have not planned. That is also very true recently. But due to sudden political changes and we are expecting quite a lot of growth coming in Bengal. So this was the only reason that we have started to expand in peripheral such cities, like Siliguri, Asansol, Durgapur, etc., which are on the borders of Bihar. And we are testing -- definitely, we'll be testing waters also in Bengal. And then only we'll decide how further we can penetrate into Bengal.

Nakul Gupta - Analyst, Shikharji Advisors
That's great. Another question is like what has been the reason for slow growth in store opening in this quarter? And what is the full-year guidance for FY '28 as well? If you can provide that, that would be great.

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
We have been adding around 30 stores, not less than 30 stores every year. And again, I have already told in the earnings call that we'll be definitely doing more than 30 stores this year also. And if we take FY '28, we are going to -- we'll definitely try to even further increase that run rate.

Nakul Gupta - Analyst, Shikharji Advisors
Okay sir. Thank you so much for the answer.

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Thank you.

Nakul Gupta - Analyst, Shikharji Advisors
Good luck for the future.

Operator
Thank you. The next question is from the line of Rakshit Desai from IIFL Capital. Please proceed.

Rakshit Desai - Analyst, IIFL Capital
Hi. Sir, my first question was what has led to the gross margin expansion during the quarter? And is it sustainable going ahead?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
We have been maintaining the gross margins like even Y-o-Y last year. We were more than 10%. 15.3% gross gross margin. We are sitting on 15.3% gross margin. This year, due to some price hike also, which -- where we could have taken leverage and something, which was around 50 bps. So going ahead, I'll say that we'll be definitely between 15% and 16%.

Rakshit Desai - Analyst, IIFL Capital
Got it. My second question was how much was the volume and ASP growth for the quarter?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Volume growth was around 17% and ASP growth was around -- 19% volume growth and 12% -- 8% ASP growth.

Rakshit Desai - Analyst, IIFL Capital
Got it. Thank you.

Operator
Thank you. The next question is from the line of Vaidik Bafna from Monarch Networth . Please proceed. Are you there?

Vaidik Bafna - Analyst, Monarch Networth Capital Ltd
Am I audible?

Operator
Yes.

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Yes.

Vaidik Bafna - Analyst, Monarch Networth Capital Ltd
Sir, can you share the SSG, I mean, regional-wise, I mean, from Bihar, what was our SSG growth versus in Jharkhand and UP?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
I just told one other participant that actually we do not divulge our SSG state-wise or region-wise or anything. Overall, SSG was 18% and which has been -- which has continued since last three quarters.

Vaidik Bafna - Analyst, Monarch Networth Capital Ltd
Okay. And sir, second question would be on the product category-wise, which product category are we seeing drastic increase in price as we -- suppose we see laptops, we see mobile phones. So are we seeing major price hikes being taken by the OEMs?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Yes, there has been price hike by the OEMs for laptops, mobile. So in fact, ASP has gone up by 20%, 25% for mobiles and laptop as well. And it has been quite less for air conditioners. It just has been 5% to 6%.

Vaidik Bafna - Analyst, Monarch Networth Capital Ltd
Got it, sir. And sir, I just wanted a guidance on sustainable OPM going forward. This quarter, we achieved a 10.4% OPM. So what do you think would be our sustainable OPM for this year, where our major store expansion would take place now and going forward as well.

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Actually, Vaidik, margins are dependent on quarters as well. So margins will vary quarter-to-quarter. And like this remains our good quarter, best quarter. So margins are there, but we will be definitely achieving around 9% to 10% of margin.

Vaidik Bafna - Analyst, Monarch Networth Capital Ltd
Sir, I'm saying for the full-year. This quarter, we've achieved 10.4% for the full-year. Can we achieve 10%?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
I told you that we give our guidance in the investor presentation also that we'll be achieving -- we'll be definitely achieving between 8% to 10%. And anything better than that is always welcome.

Vaidik Bafna - Analyst, Monarch Networth Capital Ltd
Okay sir. Okay. So that's it from my side. Thank you, sir.

Operator
Thank you. [Operator Instructions]. The next question is from the line of Bharat Shah from BCS Capital. Please proceed.

Bharat Shah - Analyst, BCS Capital
[Foreign Speech]

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
[Foreign Speech]

Bharat Shah - Analyst, BCS Capital
I didn't really have a question to ask, but I wanted to convey my compliments over the years that I have observed Aditya Vision, the very careful and disciplined way the business has been managed, how we have expanded from one geography to three? And I'm great to see that the hunger to grow continues unabated by entry into MP and West Bengal in the current year. All of this, while we have seen much larger and national competitors stumbling in many, many ways, Aditya Vision remains at a smaller scale, but a very prudent, wise and disciplined execution of the business opportunity, while maintaining growth as well as the hygiene of the balance sheet and the capital efficiency. So sincere compliments, Sinha sir.

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Thank you so much, Bharat. It means a lot coming from you.

Bharat Shah - Analyst, BCS Capital
Thank you.

Operator
Thank you. The next question is from the line of Vaibhav Gupta Bowhead . Please proceed.

Vaibhav Gupta - Analyst, Bowhead
Hi, sir. Congrats on a great set of numbers, sir. Just wanted to understand which categories were seeing the highest growth rates, be it AC or refrigerators or washers or TV, laptop, mobile. I understand there was a big component of ASP growth in mobiles and laptops. So broadly, if you could give color which categories are seeing fast growth and which are seeing somewhat slowdown?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
In this quarter, Q1, actually, AC contributes the largest, of course, contributed around 35% -- contributes 42% of overall sales and with a growth of around 35% over last year.

Vaibhav Gupta - Analyst, Bowhead
Understood. And sir, what about refrigerators washing machines?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
They were quite flattish type. It was between 10% growth was there in the refrigerator of washing machines and panels.

Vaibhav Gupta - Analyst, Bowhead
Panels also saw 10% kind of growth only?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Yes.

Vaibhav Gupta - Analyst, Bowhead
Understood, sir. That's all for from my side for now. Thank you, sir.

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Thank you.

Operator
Thank you. The next question is from the line of Prabhat Awasthi from Alturas Investment . Please proceed. Are you there Mr. Awasthi?

Prabhat Awasthi - Analyst, Alturas Investment
Hi. Am I audible?

Operator
Yes.

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Yes.

Prabhat Awasthi - Analyst, Alturas Investment
Yes. Sir, firstly, congratulations for the good set of numbers. My question is with respect to seasonality, sir. AVL experienced strong quarterly seasonality driven by Q1 and then in Q2, it drops significantly. So what does the management think? Do we think that is there any way to cater this seasonality or reduce the impact of seasonality? What is your thought on it sir?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
We'll have to understand one thing, Prabhat, that major categories, which we deal in, like cooling products. It consists a lot many things. It constitutes a room air conditioners, commercial air conditioner as well, along with that refrigerators, deep fridges, commercial refrigerators. So this will definitely have -- this category can only be very -- it has to be there during summer. So this seasonality is not has been there always throughout India, wherever there is a climate like this. So whenever the climate is not there, of course, it won't be sold there. But as you know, more and more geographies are experiencing hot temperature. So this is -- this augurs well for us. Maybe in time to come, it will spill over to Q2 also, like what I just said that June was quite good and quite hot this year July. Month of July was quite hot this year. So maybe we expect that gradually where we are shifting, we see that maybe it will be entire H1, which will be catering to this cooling product.

Prabhat Awasthi - Analyst, Alturas Investment
Yes. Actually, I get it, sir. I was just looking at the numbers, and I saw that like it dropped 50%, 60% -- 50% and 52% that quantum, like it was seasonality. I was just trying to understand that do we think that is there any way that we can manage the seasonality or reduce the quantum of it?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
No, I don't think so because you cannot refuse the business which is coming in Q1. Rather it is market so competitive that we have to take all the advantage of weather conditions.

Prabhat Awasthi - Analyst, Alturas Investment
No worries. And second thing, sir, if you could help me to understand that what would be the -- like what is our EBITDA margin guidance for the longer period like two years, three years in the next three years, what we are thinking that how does our EBITDA margins look like?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
We have already given the guidance that our EBITDA margin will be between 8% to 10% and it will not be comparable quarter-over-quarter. But the annual -- whatever I'm saying is your annual figure. So 8% to 10%. But what we have seen that we have been able to cling on to more than 9%.

Prabhat Awasthi - Analyst, Alturas Investment
Okay. Okay, got it sir. Thank you.

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Thank you.

Operator
Thank you. [Operator Instructions]. The next question is from the line of Jitaksh Gupta from Tikri Investments. Please proceed.

Jitaksh Gupta - Analyst, Tikri Investments
Y es. Am I audible, sir?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Yes, yes, go ahead.

Jitaksh Gupta - Analyst, Tikri Investments
Yes. Hi sir. Thank you for the opportunity. I have two questions. So first is, how many stores are we targeting in West Bengal? And what is the like market size do you see in the entire West Bengal? And what will be our store size in West Bengal, especially, average store size?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Okay, that's all?

Jitaksh Gupta - Analyst, Tikri Investments
And sir, second question is a bookkeeping question. So why did the depreciation went up on a quarter-on-quarter basis because we only opened three stores. So just wanted to understand this.

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Okay. We are planning -- actually, we had taken this decision -- abrupt decision to open in Bengal because of certain development. And we are hoping to add six to 10 stores in this financial year. And typically, our store size will be between 4,000 to 6,000 square feet. And depreciation, I'm afraid it is -- it includes amortization of rent also. So you are taking out that factor. So it has not gone up that much. And more actually, there are a lot of work in progress going on where we have to provide place rent also.

Jitaksh Gupta - Analyst, Tikri Investments
And sir, lastly, how many stores are we planning for MP?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Initially, we are planning to open in -- we have already work is in progress in Indore, Ujjain, Bhopal. And we are planning to open later on. We are planning to open in Jabalpur, Gwalior, etc. So you can safely take it as six to 10 stores we'll be opening in Madhya Pradesh.

Jitaksh Gupta - Analyst, Tikri Investments
So will it be this financial year or next year, or next year also?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
This year, actually.

Jitaksh Gupta - Analyst, Tikri Investments
Okay, sir. Understood. So thank you so much.

Operator
Thank you. The next question is from the line of Palash from Investec. Please proceed.

Palash - Analyst, Investec
Yes. Hi sir. Is my voice audible?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Yes. Please go ahead.

Palash - Analyst, Investec
Sir, we are entering new geographies. So do we think our other expenses, mainly A&P spends, would increase significantly this year?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Of course, other expenses depends on, in fact, your volume also, sale also. So more you sell, more freight is required, more credit card commission is required, more DBDs are required. So definitely, it is related with the sale. So operating expenses, I don't expect that it will go up significantly, but it will go up consummate to the sales.

Palash - Analyst, Investec
Okay. Got it. And sir, second question is, what is your plan towards Chhattisgarh? How many stores are we looking to add in FY '27?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Again, in Chhattisgarh also, we have already opened three work in progress is in around four, five stores. So let us keep it at 10 to 12 stores in Chhattisgarh.

Palash - Analyst, Investec
10 to 12 stores, this financial year?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Yes, I'm talking about this financial year.

Palash - Analyst, Investec
Sir 10 to 12 stores in Chhattisgarh, six to 10 in MP and six to 10 in West Bengal. And our normal run rate of UP would be above 15. So we will be ending up significantly over our guidance of 30 stores?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
UP, we have not guided for that, what number you are saying. But definitely, we'll be looking at -- we have been improving, but we never, in fact, give a guidance in such a way. We always say that we will be opening more than 30 stores. And if we do it better, I hope -- I'm sure you are going to be happy.

Palash - Analyst, Investec
Yes. Thank you sir.

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Okay.

Operator
Thank you. The next question is from the line of Devanshi Kamdar from Axis Capital . Please proceed.

Devanshi Kamdar - Analyst, Access Capital
Yes. Hi. Am I audible?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Yes, very much.

Devanshi Kamdar - Analyst, Access Capital
Yes. I just wanted to understand how is our Chhattisgarh EBITDA looking like? Have we -- are we on the path of breakeven? And like what is the time line for that? We entered last year.

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Only for two months, the stores have been opened, so I don't think it is good for me to comment on EBITDA or anything. So let's wait, but they are doing well.

Devanshi Kamdar - Analyst, Access Capital
Okay. And since we are planning our new entry in MP and West Bengal over the next 12 months to 18 months, I assume, would that be EBITDA dilutive in any sort of like would we still come within our 8% to 10% guidance?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
No. We'll stick to this guidance, as I told you. And what we have experienced in the past also, entering a new state doesn't dilute any EBITDA for us.

Devanshi Kamdar - Analyst, Access Capital
Okay. Understood. And if you could -- just lastly, if you could talk more about our strategy for West Bengal and Madhya Pradesh since these are new geographies for us.

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Madhya Pradesh offers a very good potential, especially in the town of Indore, even Ujjain, Bhopal is another very good stage. If you go through -- go north of Madhya Pradesh, Gwalior is very good market. This site toward Eastern, you will come to Jabalpur. That is also very good. Even Katni, Itarsi, these are the big cities. They will also offer us a good opportunity. So overall, I think it is going to do well.

Devanshi Kamdar - Analyst, Access Capital
Understood. Just one last question, sir. So we talked about our inventory levels, which had come down. So I -- what are the -- basically our working capital days for this quarter, if you could comment on that?

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
We don't take it for any quarter-by-quarter -- quarterly, Devanshi.

Devanshi Kamdar - Analyst, Access Capital
Right. Okay, sir.

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Okay. Thank you.

Devanshi Kamdar - Analyst, Access Capital
Yes.

Operator
Ladies and gentlemen, due to time constraints, that was the last question for today. I now hand the conference over to the management for closing comments. Over to you.

Yashovardhan Sinha - Promoter Chairman and Managing Director, Aditya Vision Ltd
Thank you very much for participating in Adity Vision's Q1 earnings call -- conference call. Thank you very much, and be safe and healthy. Thank you very much. All the best.

Operator
[Operator Closing Remarks],