

SRL:SEC:SE:2026-27/14

May 27, 2026

National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor  
Plot No. C/1, G-Block  
Bandra-Kurla Complex  
Bandra (East),  
Mumbai – 400 051  
**(Symbol: SPENCERS)**

BSE Limited  
Phiroze Jeejeebhoy Tower  
Dalal Street  
Mumbai – 400 001  
**(Scrip Code: 542337)**

Dear Sir/Madam,

**Sub: Transcripts of the Q4FY26 Post Results Earnings Conference Call**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Q4FY26 Post Results Earnings Conference Call held with Analysts on May 22, 2026 at 11:00 A.M. (IST).

This information is available on the website of the Company at [www.spencersretail.com](http://www.spencersretail.com).

You are requested to kindly take the aforementioned information on record and oblige.

Thanking you.

Yours faithfully,  
**For Spencer's Retail Limited**

**Navin Kumar Rathi**  
**Company Secretary & Compliance Officer**  
Encl: As above

**Spencer's Retail Limited**

Regd. Office: Duncan House, 31, Netaji Subhas Road, Kolkata-700 001  
Corp. Office: RPSG House, 2/4 Judges Court Road, Kolkata-700 027  
Tel: +91 33 2487 1091 Web: [www.spencersretail.com](http://www.spencersretail.com)  
CIN: L74999WB2017PLC219355



“Spencer’s Retail Limited  
Q4 FY26 Earnings Conference Call”  
May 22, 2026



**MANAGEMENT:** **MR. ANUJ SINGH – CHIEF EXECUTIVE OFFICER & MD**  
**– SPENCER’S RETAIL LIMITED**  
**MR. MANJIR BASU – CHIEF FINANCIAL OFFICER –**  
**SPENCER’S RETAIL LIMITED**  
**MR. PANKAJ KEDIA – EXECUTIVE DIRECTOR,**  
**INVESTOR RELATIONS**

**MODERATOR:** **MR. SUNNY BHADRA – EMKAY GLOBAL FINANCIAL**  
**SERVICES LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Spencer's Retail 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 touchstone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sunny Bhadra, Emkay Global Financial Services Limited. Thank you, and over to you, sir.

**Sunny Bhadra:** Thank you, Swapnali. Good morning, everyone. I would like to welcome the management and thank them for this opportunity. We have with us today Mr. Anuj Singh-CEO and MD; Mr. Manjir Basu-CFO; and Mr. Pankaj Kedia-Executive Director, Investor Relations.

I shall now hand over the call to the management for the opening remarks. Over to you, gentlemen.

**Anuj Singh:** Good morning, everyone, and welcome to Spencer's Q4 and FY '26 results call. With me in the room today, I have Pankaj Kedia, our Group Head of Investor Relations. I have Manjir Basu, who is the CFO of Spencer's. I have Prateek Kabra, who works in the CEO's office and looks after Investor Relations.

We'll start the floor, as always, we'll start the floor by giving a short commentary on what the quarter was and therefore, what the FY '26 picture was. And then we'll open it up for questions from your side. So as some of you may have had the chance to glean through the results, we announced our results post our Board meeting yesterday evening.

I'll give commentary first on the consolidated level, then I'll talk specifically about Spencer's and then about Nature's Basket. So, if I look at it at a consolidated level, Q4, I would, by all measures, term it a respectable quarter, largely driven by the fact that this was a quarter where after a long time, we were able to demonstrate and deliver growth.

So Q4FY'26 saw a growth of 6% versus Q4 of last year. At a consol level, we did sales of INR436 crores versus INR412 crores in Q4 last year. If I look at the margins, we maintained the margins at a quarterly level at around 18.8% versus 19% last year in the same quarter. Our operating expenses continue to be run tightly, and we had our operating expenses, which were in line, which resulted in an EBITDA, which a marginal EBITDA of INR2 crores versus a flat 0 EBITDA last year quarter 4.

If we look at the 12-month picture, the sales at a consol level were at INR1,800 crores, down from INR1,995 crores last year. As some of you would recall, in FY'25, particularly in the second half, we had exited 49 stores. We had exited regions in the North and the South. So this contraction in top line is a result of that. So, YoY, if I look at it, it's almost a 10% decline. But again, that was done for a particular purpose. I'm not going to reiterate that, but largely, it was to exit nonstrategic regions and to exit our high loss-making stores, drive efficiency.

At an annual level, at an FY'26 level, our margins, we've been able to deliver 90 basis points higher margin compared to last year. So our margins for the year were at 20.5% at a consolidated level. Our operating expenses obviously came down sharply as a result of a reduction in the footprint on the Spencer's format.

The EBITDA was INR15 crores compared to INR60 crores last year. But let's remember, last year in INR60 crores EBITDA, there was a huge component of other income, which was a result of all the termination of the leases and the Ind AS treatment on the closure of the stores. At a PBT level, it remains flat at INR250 crores loss. So that's the picture on the consolidated level.

Now this performance of 6% growth in Q4 was largely powered by growth on the Spencer's format. So, on Spencer's, in quarter 4, we delivered close to INR380 crores versus the INR351 crores in Q4 last year, which represents an 8% YoY growth. This is the reason why I'm kind of highlighting this is because this is pretty significant in the scheme of things. This is the first time after many quarters, we've been able to deliver growth over last year. And I can further confidently state that this is not just one-off, but we are seeing a sustained trend where we've been able to generate some sales momentum.

So really, I mean, if I were to split H1 versus H2 for Spencer's, in H1, we were down versus last year, but H2 has seen a good recovery. So, our H2 growth rates versus H2 of last year, which is actually the like-for-like comparison because in H2 of FY'25, we had exited the stores. So H2 is a true comparison. In H2, we delivered almost 4% growth. And since November, which is for the last 5 months, we are consistently delivering every month, we are delivering growth over the previous year. So I think that's a good sign.

And I'll come back to a little bit more details on what is driving this growth on the Spencer's format. But the sales growth was also kind of complemented with keeping our margins at healthy levels. So our margins were 17.5% versus 17.8%. On a full year basis, margins improved by 90 basis points. We were at 19% margin on the Spencer's format. Our operating expenses continue to be quite tight. So in the quarter, they were INR61 crores versus last year quarter of INR62 crores.

At a full year level, operating expenses obviously are much lower given the exit from the regions. So, they're about INR250 crores versus INR329 crores in FY'25. Our EBITDA for the quarter was INR14 crores, up 40% from what it was in the Q4 FY'25, which was at INR10 crores.

At an overall, at a full year level, EBITDA is INR56 crores versus INR53 crores, and that is including the one-off impact of other income, which was there in FY '25. So overall, I think on Spencer's, I would say that it is a good recovery. All the actions which we had taken last year in FY'25 in terms of reducing footprint is now behind us. We have reset the business from that perspective. And the aim was to then drive growth on this. We were not able to do that in H1. But in H2, We've come back strongly, and we have delivered growth in H2.

Quarter 4, which is traditionally not the strongest quarter in the retail industry, Q3 is the strongest quarter. So, in Q4, we were able to grow by 8%. And this was on the back of, I would say, 3 key things which have been consistently being executed in Spencer's. Number one, we are obviously, given the situation wherein we're always constrained on funds. As you know, we are not expanding the number of store footprints. So therefore, it was quite incumbent that we manage our working capital extremely well.

And as part of working capital management, the number one point was in terms of managing our assortment. So last year, there was extensive work done in H1 in terms of our optimization of our inventory, which started with looking at our assortment design or assortment strategy and looking at optimizing our SKU mix with a focus on, (a) lowering inventory at an aggregate level, but more importantly, putting focus behind our fast-moving ones because at the end of the day, in retail, it's about the velocity, which is the number of turns which you can achieve.

And I think towards that, there was good work done and which is what gave us the momentum in H2. What also followed that was the membership at the rewards program, which we launched in July '25, that also picked up significant momentum. And I'd remind some of you that this was started in July. It was a very simple, very clean reward program wherein consumers were given cash back into their wallets at the end of the month, depending on their monthly purchase. And this was obviously based on a slab. But at the highest slab on purchase of INR10,000, consumers were getting INR600 or 6% off, which is quite significant for a grocery kind of an environment.

This membership program, like I said, started in July 2025. It was a paid membership. Members had to pay INR500. But the proposition was pretty simple. You pay INR500 a year and you could benefit of up to INR600 a month on your monthly purchases. This saw good traction over the FY'26. And we closed the year with close to 100,000 members who had not only bought into the membership, but had also used the membership.

A key point of this membership was, obviously, the objective was to drive stickiness and to drive repeat amongst people who sign up for the rewards. And the numbers which came through the year actually validated the whole construct of this membership program. Just to give you guys an idea, an average member with us shops slightly more than 2.5x a month. People who become members of this reward program over the years they shopped an average of 4.5x a month. So clearly, I mean, it's led to an increase in frequency.

The average monthly spend of the members was also significantly higher than the non-members. An average member was spending close to INR8,000 a month as far as their average purchase was concerned. The return rate, which is people coming back and shopping, the N+1 retention rate was also 80% plus. So clearly, the membership program was something which found resonance with our customer base and drove higher repeat, higher frequency, higher ABV, leading to growth.

Today, roughly 20-22% of our monthly sales is contributed by our members. So clearly, that's something which has gone well for us. So number one was the whole inventory optimization

and looking at our assortment, focusing on our best sellers and really putting weight behind SKUs, which had far higher velocity as opposed to focusing on purely high margin but low velocity SKUs. Number two was the rewards program, which has picked up significant momentum. And number three was continued focus on the online part of the business.

The online part of the business grew by 37% YoY. So closed at INR200 crores for FY'26, which was 37% increase over the previous year. We could have done much higher, but we took a conscious call in H2 to limit our burn on this because at the end of the day, you could end up scaling this business another INR100 crores, but that would have meant fairly expensive customer acquisition.

So we were focused in terms of our objective of this being an omnichannel offer and therefore, primarily targeting our offline customer base and giving them the online option of shopping. So it was largely organic customer acquisition. But we really focused on the operational KPIs, which is in full and on-time delivery. Our delivery proposition is 30 minutes. Our average delivery time was around 28.5 minutes. Our in full is close to 90%. And that has seen a decent repeat rate, which is coming through.

We do an average of 2 lakh plus orders per month. And our ABVs on the e-commerce business are at INR760 per order, which is, I would say, best-in-class in the industry. Quick commerce players are around INR450-500. So I think those efficiency measures were kind of put in place. And I would say that this is the future for us. We would continue to expand online, but we will do that judiciously and not burn because that's not what our P&L kind of holds.

On the online business, the other good part, the significant part was that at a unit order level, we are breaking even now. So we are with an ABV of INR760, we generate a rupee gross margin, which is closer to INR110 per order. And our fulfillment costs are now with the scale at about 2 lakh orders a month, our fulfillment costs are around INR98-99. So, we are making money on an order level. Of course, the scale has to go up for us to absorb the other tech and marketing costs for it to be EBITDA-positive, which it is not.

So clearly, for Spencer's, I would say it gives me a lot of confidence that the pain and the contraction which we went through in H1'25 has given us an opportunity to reset our base, focus on productivity and efficiency measures and really drive growth. It took a couple of quarters of FY'26 to get the growth engine going, but we've started that in H2. And I'm quite confident that we'll be able to sustain this in Q1-Q4 of the current year.

The other interesting thing is, look, we don't disclose our store EBITDA, but just to give you a thing, given that we didn't add-on stores, we were able to drive growth from the same base, and we've kept our operating costs tight, obviously means that our margins are flat, which means that this should flow into your improved level of store EBITDA. And I mean, if any one of you who have been following my calls or our calls for the last 2 years, the stated P&L or the model P&L for Spencer's, we wanted to get to a target of 8% store EBITDA. We were nowhere close to that, which is why we did the exercise in terms of optimization of regions.

Last year, in FY'25, we were at a low single-digit store EBITDA. And this year, we've been able to, as a result of growth, as a result of margins being at the same healthy levels and costs being optimized, we've been able to double our store EBITDA levels. Have we achieved the 8% store EBITDA level? No, we haven't. But we've made significant progress. We've doubled it from the previous year. And we are quite confident that going forward in FY'27, we will be able to achieve that 8% store EBITDA.

What this 8% store EBITDA allows us to do is that's the right level of threshold EBITDA at which all our other support costs, whether it be DC cost, marketing costs, corporate overhead support costs, all of that can be absorbed. So for us to breakeven, we need to get to that 8% store EBITDA, and that's the journey for us. And Q4 and H2 of FY'26 has given us that renewed confidence that we are on the path to achieving that EBITDA breakeven as far as Spencer's is concerned.

Just to give you a magnitude of when our store businesses are concerned, today, the EBITDA for Spencer's gets consolidated at Spencer's plus ORIPL level. We were able to significantly reduce our losses on the offline business. So our EBITDA losses, and I'm not talking here about financial EBITDA, which is post the Ind AS treatment, the pre-Ind AS EBITDA, which is a true measure of operational thing, we have halved that as far as the offline business is concerned. The plan is that this year, we will be able to break even on the offline business, definitely.

And on the online business, where we made about INR30 crores of loss, largely on account of driving acquisitions and setting up the whole tech platform, we want to reduce this to low double digit, ideally in single digit. So I think that's where the journey for Spencer's is and we are quite confident that we are on the right path.

As far as Nature's Basket is concerned, I've got to be honest that, look, unlike Spencer's, we were not able to power that level of growth on Nature's Basket. But unlike Spencer's, where a lot of headwinds were external, what was happening in the category, what was the impact of competition. I think NB, the headwinds were largely internal. We recognize that.

We know exactly where the issues are. And I think the issues are at two levels. One is, we still haven't gotten into that virtuous cycle of synchronizing our inventory with what is selling. So as a result, we are sitting on high days of stock cover. These are not necessarily fast-moving SKUs. And therefore, our precious working capital is stuck and slow moving, and we don't have enough to fuel the velocity on high-moving SKUs.

So that exercise, which we did in Spencer's last year is something which we are currently doing in Nature's Basket. That will help us. Secondly, the online part of the business is relatively small, but that's something which we revamped using the same tech backbone as Spencer's Jiffy, and we are ready to kind of accelerate that. So, these two things require immediate correction.

We've also kind of looked at optimizing some part of it. But look, there's not a lot in terms of the store footprint or the magnitude to kind of optimize that and Nature's Basket operates 31

stores. So really, the effort there is going to be around how do you drive a higher level of sales per square foot and store productivity. It is not about closing down stores or opening more stores. It's about getting the higher level. And I must admit that we have done that in the past. It's just that it slipped last year, but confident that we will turn the clock back and drive some growth on Nature's Basket.

We have also effected a leadership change at Nature's Basket. So, we brought in a very experienced retail operator as the new CEO for Nature's Basket, a gentleman called Lakshman. Lakshman comes in with experience in diverse retail started with Future Group then was with More and then more recently with scaling up the MedPlus pharmacy business offline. So, we have a very strong operator and the focus on NB is to turn around from a growth perspective. And I think growth will solve the issues on the challenges around store profitability and overall profitability of the format.

Nature's Basket continues to be a very strong brand despite some of our internal challenges, the customer is a lot more loyal. It's a very differentiated format. We see a strong consumer customer traction. Consumer is actually, in fact, forgiving as well, but we can't take that for granted. We have also started the membership program, the rewards program at Nature's Basket. It's called Elysium. There, the construct is a bit different. You buy a membership at INR5,000 for the year, and you get up to 10% off on your purchase. And you don't wait until end of the month to get it on every transaction, you get up to purchases of INR150,000 a year.

So basically, here, the ROI is very simple. You pay INR5,000 and you could get discounts of up to INR15,000 on your purchases besides a whole lot of other intangible benefits like being part of an extended loyalty program on other platforms. The scale is still small. We've got about 9,000 members.

But again, looking at the confidence from the Spencer's program and what it does to the overall business, we are going to turbocharge this program as far as Nature's Basket is concerned. So, really Nature's Basket is, I would say, next 2 quarters are going to be critical, and we will demonstrate and drive growth over the next 2 quarters on that. because intrinsically, like I said, it's a very clear differentiated proposition, which has a very strong resonance with its consumer segment.

The business is concentrated in 2 cities. We do have presence in a few other cities, but the bulk of our stores are in Bombay and Bangalore. So, it's easy to kind of put in place a turnaround on a scale, which is 31-odd stores. Intrinsically, the percentage margins are healthy. So, I think a higher level of sales will be able to drive a higher level of RGM, which will then flow down in terms of better profitability. So, I think that's the story as far as Spencer's and Nature's Basket is concerned.

Overall, I would say, for the full year, again, a respectable performance. But what really gives me confidence, and I hope I can inspire and convey some of that confidence to all of you is that we have not just rediscovered, but we have delivered a quarter of strong growth on Spencer's.

The playbook, which is around smart inventory optimization, driving higher level of store repeats through a rewards program and building an online platform, which is not just centered on acquisition at any cost, but on fulfilling a 25-minute delivery proposition with a high degree of in full. I think these three are working. We will continue to drive it. Like I said, since November 5-months, we are delivering month-on-month growth. So that also gives me confidence that it's not one-off.

And again, we started the year well despite all the turbulence and macro geopolitical instability, that has not impacted us. We've got off to a good start. We operate in East and East-UP. In East, we are largely in West Bengal. West Bengal has seen a change in government. And now for the first time in 50 years, there will be Center-State alignment, which will, I think, bear well for the state.

I'm sure there will be a lot of, not just sentiments, but we'll see on-ground investments, on-ground development activities, which is always good news for a consumption sector like us because it will translate into higher purchasing power and therefore, not just sentiments, but actually higher purchasing power and this thing.

Last year, we didn't add stores. And that's the current thinking as well that we are not going to add-on stores because we still believe that whatever efficiency measures, we are doing in terms of increasing store productivity, increasing the sales per square foot, that's what should continue. There is still headroom for us to grow via that, and that's the journey we are on.

Our SPSF, again, I don't disclose it, but I can give you just to kind of reinforce the point that we are making improvements on that. On Spencer's, in FY'25, we were at around INR1,400 per month per square foot. That number has gone up to close to INR1,700. So we are driving that. And I think if you ask me what the true level is, we can reach levels of INR2,000 for Spencer's format.

So clearly, growth is not going to come through massive network expansion. We will, of course, we keep evaluating opportunities within existing geographic clusters. For example, in a city like Calcutta, from time to time, there are different hubs, which are kind of coming up. And we will look at opportunities there of operating. So, you will see 3-4 stores of Spencer's coming up in this year. Some of them might be new to the network. Some of them could be relocating an underperforming store and moving it to a more high growth and some of it could be same.

So we will add on stores. But again, that's not the basis of our growth. We are basing our growth on driving same-store sales growth. And the last 4-5 months have given us more confidence that we'll be able to do that. And for Nature's Basket as well, we will not add on stores. There is work to be done in terms of improving from our existing stores, and we are quite confident, we'll be able to drive that.

So, net-net, I think I'll just summarize by saying that this quarter has really demonstrated that we have discovered our growth mojo and we will continue on this journey. And I think this will help us in terms of looking at a path to EBITDA breakeven, which I foresee will be same

time next year when we'll be talking, hopefully, I'll be able to deliver again. So that's it from my end. I'll stop here. I'll take a pause and open it up for questions.

**Moderator:** Thank you very much. We take the first question from the line of Parikshit Gupta from Fair Value Capital. Please go ahead.

**Parikshit Gupta:** My first question is on the average bill value and the number of bills. Can you please quantify how much these figures were for both Spencer's as well as Nature's Basket.

**Anuj Singh:** So, look we don't give a breakout of the numbers on ABV and orders on the offline business. On online, we were doing it because that's a key part of our KPI that determines the overall trajectory and where we are going. So, on the online business, I had mentioned and I'll repeat it, we did about 2.6 million orders in the year, which you can look at it from a per month basis, we do about 2.15 lakh orders per month. And the AOV on that is INR760, so that's the breakout on that.

The AOV on our offline business, I'm not going to give you numbers, you can calculate that. But the AOV on our Spencer's business is in the region of INR1,300. And I think that number is also driven by the fact that we have liquor and the number on Nature's Basket is slightly higher than that. So, I'm afraid I can't give you exact. I can give you directional. Has there been an increase in NOB or ABV in either of the format? That I can give you directionally. So, the growth which we are seeing is driven more by ABV growth as opposed to NOB growth on the offline business.

Offline business is the NOBs are not growing, but the ABVs are growing. And that's not ideal, ideally you should have both growing, but we still take that, and we still see that because it's also a little bit by design because this whole membership program gets people to have skin in the game, people to come back more often and to buy because if now the incentive is to reach INR10,000 of purchase and you come 4 times a month, you can do the math, your ABV will go up to INR2,500.

So, it is a bit of the increase in ABV is a bit of by design, by construct as opposed to by default or by chance. So that's the direction we're moving on. In Nature's Basket, we haven't seen an increase in ABV, and that is what we are going to drive in the next 2 quarters. So Parikshit, I've kind of given you directional. I'm not giving you exact numbers deliberately, but I've given you the exact numbers for e-com.

**Parikshit Gupta:** Understood. This is helpful. My second question on the balance sheet. How much is the debt which is maturing in the first half of FY'27? And for the entire year, are we also considering refinancing the debt? Or can you please shed some light on that?

**Anuj Singh:** Sure. I'll ask Manjir, our CFO, to give you the exact number.

**Manjir Basu:** Parikshit, so during the first half of next year, we will be repaying about INR108 crores of debts at a consol level. And obviously, we will need refinancing of that during the course of the year.

**Parikshit Gupta:** Understood. I mean, given the current situation of the company's market value and the numbers on the financials, do we anticipate the interest costs to meaningfully increase from what it is right now?

**Manjir Basu:** No, we don't foresee an increase in the interest cost. Right now, we are in the range of 9.5-10.5%, and we expect that to continue in the financial year as well.

**Parikshit Gupta:** Understood. In terms of Nature's Basket, I mean, you already mentioned a couple of reasons why it has not been growing, but we have also lost footfall then if the ABVs have not grown or come down so much, then basically not a lot of people are coming into the store. In addition to optimizing the inventory, what other measures have you outlined now that you have also done a leadership change? What are the key strategic decisions taken for the first quarter or the first half of the current financial year?

**Anuj Singh:** So look, I mean, inventory optimization, my apologies, it's a very broad macro kind of a statement. Really, I mean, you're absolutely right. In Nature's Basket, obviously, if your sales have gone down and your sales have gone down and your ABVs have remained largely in the same level, which means your NOBs have gone down, which means the less number of people are coming.

Now I think the question there is what is prompting the behavior. And I think in this case, it's not that people are going and shopping online for this kind of a category. This is a premium gourmet grocery retailer. So, one of the reasons, obviously, the headwinds or the challenges are largely internal. And the internal challenge is if you don't have the right assortment at the right time, consumers will come in and then they will walk out empty handed and they will not come back. So clearly, for us, it's about fixing that. And it's quite evident.

I'll share with you very transparently. If our days on hand is quite healthy. In fact, I would say the absolute level of stock holding is above the norms, but it's in the wrong type of categories. So, we have excess stocks in some categories like processed food, canned food, imported trading lines because your trading lines are not this thing.

As a result of which we have not been able to have consistent level of availability of daily or weekly bought categories like fresh. So the number one correction which we are doing, is we're saying that, look, we need to ensure, we need to understand and we need to ensure that we have consistent availability of those categories, which move on a regular basis and which brings consumers back to the stores.

And one of those categories is fresh, which is basically fruits, vegetables, chicken, meat and the other exotics. And I think that's the number 1 priority for us. We need to really, over-index, both our inventory and our availability on that because that is what drives regular footfalls.

That is what drives repeat. So, that's the number one action which is there. Number two, obviously, linked to that is a stronger push on rewards because once you have skin in the game, even though if you're spending INR15,000, you would argue saying that INR1,500 does

not make a big difference, but it does make a big difference. I think consumers like that feeling of I've saved something.

So, I think the membership program in Nature's Basket is something which can be driven much stronger. 8,900 members is not a pinnacle of achievement over there. I think we should be looking at something like 30,000 members easily. And I think that will drive repeat frequency. And the number three growth driver would be your out-of-store business. And actually, in Nature's Basket, the out-of-store business comprises both phone delivery and phone orders as well as online. Today, phone delivery is much, much bigger than online. That's because our online platform wasn't really a seamless experience.

We've rebuilt that based on all the learnings and the expertise which we had developed over the years on Jiffy, and that the same thing has been applied. So I think these are the three strong levers which will help us get back to the growth territory and to get back to the numbers which we were doing because fortunately, this is not a category which has still been majorly impacted by quick commerce or e-commerce. I don't know, and I can't foretell maybe in the next 12 months, we have greater competition coming in, in that space. But I think we have time to fix it, and we are quite seriously focused on fixing it. And I think it's quite doable.

We get the right inventory of the right categories consistently, which is fresh, which I highlighted. We drive our rewards program much, much stronger and enroll. And again, just to kind of illustrate that point, it's a minor point. We ended the year last year with 9,000 members on the rewards program. And of course, the whole annual plan is built on driving growth. And these are the three pillars. So on rewards, we did close to 1,250 members we added on in the month of April.

So again, at the end of the day, it's a simple identification of what the core issue is and really driving relentlessly the execution of that. So, I think these three things will help us to drive back the NOV-led, growth-led EBITDA improvement in Nature's Basket. So yes, that's the answer to your question.

**Parikshit Gupta:**

Yes, that's helpful. Just a quick follow-up on the out-of-the-store business for Nature's Basket. So I mean, so Nature's Basket, while it was with Godrej was right outside my home as well. And I absolutely agree with you that the customer base for Nature's Basket is super loyal and the fresh categories where most of the sales side. However, while ordering Nature's Basket, I remember you already mentioned about the app, which was not a seamless experience.

So have you considered maybe enrolling on to the other quick commerce platforms because those platforms give you the scale. And while the company's policy is not to build dark stores, however, we really need to up our sales per square foot in Nature's Basket. So while it might also help give us an idea about the customer base who is also ready to order gourmet categories from other quick commerce platforms and help us understand the acceptability further. So has something like this been also explored?

**Anuj Singh:**

Yes. Thanks, Parikshit, for asking this. It's a very good question. I didn't mention it because it's still in a kind of a pilot stage. We are looking at it with two platform. I will not name them.

One in Calcutta, we are a leading quick commerce marketplace, we are trying that. And the other is in Bangalore. And there are also talks in Amazon to have their marketplace a Nature's Basket store. So we're doing that.

Of course, it will lead to some dilution in the margin because these marketplaces take a hefty commission. But it will help us in terms of getting a higher penetration, visibility of the brand and hopefully top line business. So the way I look at it is, look, the incremental revenue will come in at a diminished margin, but it will still be incremental, right? So, this is work in progress. We are evaluating it. And once the pilot is successful, then we take a call whether we can extend this one.

**Parikshit Gupta:**

Understood. And have you considered the same strategy for maybe Spencer's as well?

**Anuj Singh:**

No. The reason why we haven't done that is, look, because Spencer's online business is largely concentrated in West Bengal in Calcutta, where we have a good network of stores. We have 42 stores. And we have an ability to service 99% of the pin codes using our network of 42 stores and 1 dark store. So, in any case, in the Spencer's business, if you can understand it works on smaller margin pools. So, listing on a marketplace will get you your top line, but then that is for vanity's sake. From an EBITDA point of view, it will not make sense.

We have our moats on the online business. We do liquor delivery online. And I think that's what will help us to retain, to attract and to grow our customer base. We are augmenting our rewards program, I would say, because we've had a very base membership, which is at INR500, you get 6% off. Very soon, we will launch two higher tiers of this loyalty program.

So you will have a platinum and diamond tier of membership. And what that membership will allow you is to get things like 25 free online deliveries in a year. At the platinum level, you will get that plus you will get certain rewards and loyalty point on your liquor purchase.

So we are augmenting our reward program. I mean, look, the intention of the online business in Spencer's is not to make it go from INR200 crores to INR400 crores and burn INR60 crores in losses. The idea is for it to go from INR200 crores to INR250 crores next year and ideally instead of making INR30 crores of loss, which we made last year is to minimize the loss. So that's the strategy. And therefore, we will not be looking at listing it on marketplaces, et cetera, for Spencer's. But for Nature's Basket, definitely, it makes sense to do that because the scale is much smaller and the margin pool is much higher. So, we can do with that.

**Parikshit Gupta:**

Okay. My final question before I rejoin the queue. Again, on any equity infusion from the promoters and any plans on that, that you would like to disclose at this point?

**Anuj Singh:**

Yes. So look, our response will be consistent. The mandate to the management team is to do an EBITDA turnaround. And therefore, we are focused in terms of ensuring that we breakeven at the EBITDA level. I'm sure the moment that happens, that is a strong signal to everyone. And at that point of time, we will look at how do we recapitalize. But again, it's a step in the whole journey, and we have to first get to that step.

And we are managing, I think one of the issues is we've been able to manage with the working capital. You asked the question in terms of how much of loan is coming up for repayment. So we have the loan, and we've also got line of sight of rolling over that loan. So we will repay that and get fresh. So, I think that's something which is covered. We remain focused in terms of getting the business to an EBITDA breakeven. And I'm sure that is the point of time where the various options of recapitalizing, whether it is equity infusion through different means will be evaluated.

**Moderator:** We have the next question from the line of Sunny.

**Sunny Bhadra:** Just wanted to check on the growth rate of 8% that you have delivered this quarter. Can you just highlight how the geography-wise the split has been, which geography has performed better?

**Anuj Singh:** Yes. So, look we operate largely two geographies, which is West Bengal, East and Eastern UP, which is largely cities of Lucknow and Banaras. In Q4, in terms of growth, growth has been secular. So we have grown both in East and in East UP. The channels have varied a little bit. So, the growth in online has largely been driven in East. Obviously, it is a much larger base. We have 40-odd stores in Calcutta City.

So, this 8% growth is roughly 50% growth on the online channel and 4.5-5% growth on the offline channel. So in East, most of this growth is powered by the online business. East UP has largely been a store-led growth because our online penetration, online presence is much smaller there. Close to 90-92% of our online business comes from East. But East UP, the store business has done very well. They have grown, I would say, double digit in Q4.

And again, that has been part simply by a much higher level of membership drive. The members have responded well. I guess they are also value seekers. And we've seen a much better store performance in East UP than over here in East. So, I think that's the geography kind of a question on Spencer's.

On Nature's Basket, the geographies are largely Bombay and Bangalore. And the decline has been more in Bangalore, where we've had some internal supply chain issues as well. But Bombay also, we've seen a degrowth. So that's again, I think both growth and degrowth has been secular. And for Spencer's, we operate in one geography, which is East and East UP. And in Nature's Basket, we operate in Bombay and Bangalore.

**Sunny Bhadra:** Sure, sir. That was very helpful. Sir, just one more question so I believe there is some adjustment related to membership fees that is getting reflected in the gross margin line item. I just wanted some colour on in which line item this is getting recorded, the membership fees?

**Manjir Basu:** So the membership adjustment is happening in the net sales line. And for current quarter, it is about INR5.5 crores.

**Anuj Singh:** So basically, what happens is whatever cash back you're giving to your members, that is accounting treatment calls for that being reduced in your sales. And therefore, that has an

impact on your margins. So therefore, your margins come down. So, basically, the way to read it is also the way to read differently is the 17.4% margin in Q4 on Spencer's is actually there is a 120-basis point impact of the membership cash back. So, the real margin delivered on the category intake side is 18.6%.

**Moderator:** We will take the next question from the line of Parikshit Gupta from Fair Value Capital.

**Parikshit Gupta:** Just on the management mandate, you mentioned it's being EBITDA positive for the business. Is that with other income or without the other income?

**Anuj Singh:** It is with other income. But we don't expect any major other income, the quantum of other income is actually coming down. What you see. And again, this is not the financial EBITDA breakeven because the financial EBITDA, this is pure operational EBITDA, right, which means that net of interest, you are not losing any money, right? Your cash losses are 0. That's the mandate.

And look, I mean, it's not that, that's the mandate and once that's achieved, the management has done its job. I think that's the first milestone. And I think then from there, then there are multiple questions, how do we refinance to bring down your interest debt. Then will be the question of where do we drive growth because we can get to EBITDA breakeven, but that's not the end journey. The end journey is how do you get to the 2-3% EBITDA positive.

And that that second stage would involve evaluating whether it will be through offline, whether it will be through online, if it's offline, which geographical clusters, what's the right size of the store, what's the right location. So, I mean, that's the second and third mandate. It's not that the mandate is only for EBITDA breakeven, the first deliverable or the first milestone in that journey is for an EBITDA breakeven because everything else flows after that.

**Parikshit Gupta:** That's helpful. But I'm sure that with the mandate also must come a deadline. So because we have tried to turn around businesses, we have been successful in parts with them, some parts have not been successful. So, what is the tipping point where the management or the Board decides to actually maybe sell a part of the company?

**Pankaj Kedia:** Parikshit, these are management or Board, whatever they decide, obviously, you can't speak on an earnings call. Anything if a decision is taken, you would appreciate we have to inform the stock exchanges first. So, I don't think I will be able to answer that part. As Anuj has already spoken about the initiatives which we are doing to achieve that breakeven and since in the last couple of years, our EBITDA numbers have moved up sharply, we really are looking forward in FY'27 for a strong operating performance. I think that's what we should be looking at and discussing. Beyond that, I think it would not be possible for us to discuss at this stage.

**Anuj Singh:** I wouldn't say timeline, deadline, I would say, but yes, the management ask is that in FY'27, we breakeven at an EBITDA level, at an operational EBITDA level. And that would mean that whether it is offline generates a little bit of surplus to compensate for the online or it will also mean that it happens both across Spencer's and Nature's Basket. So that's the mandate. And

there's not a time line which is 2 years away, but it is within this financial year, the task is to breakeven at an EBITDA level.

**Moderator:** Ladies and gentlemen, we will take that as the last question. And that concludes the question-and-answer session. On behalf of Emkay Global Financial Services Limited, we conclude this conference. Thank you all for joining us, and you may now disconnect your lines. Thank you.

**Anuj Singh:** Thank you so much, everyone. Thank you.

XXXXXX