



Electricals

L-1/0008/PD/PG

February 13, 2026

To,

BSE Limited

:

Code No. 500031

Department of Corporate Services

Phiroze Jeejeebhoy Towers

Dalal Street Mumbai 400 001

National Stock Exchange of India Limited

:

BAJAJELEC - Series: EQ

Listing Department

Exchange Plaza, Bandra Kurla Complex,

Bandra (East), Mumbai 400 051

Dear Sir/Madam,

Sub.: Submission of the 'Transcript of the Q3FY26 Earnings Call' of Bajaj Electricals Limited ("Company")

Further to our letters dated January 30, 2026 and February 9, 2026, and pursuant to the provisions of Regulation 30 (read with Sub-para 15 of Para A, Part A, Schedule III) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), we are enclosing the Transcript of the Q3FY26 Earnings Call (i.e., Post Earnings/Quarterly Call), organized by ICICI Securities Limited on Monday, February 9, 2026 at 16:00 PM (IST) wherein, inter-alia, the Unaudited Financial Results of the Company for the third quarter and nine months ended December 31, 2025, were discussed.

We request you to take the above on record and treat the same as compliance under the applicable provisions of the SEBI Listing Regulations.

Thanking you,

Yours Faithfully,

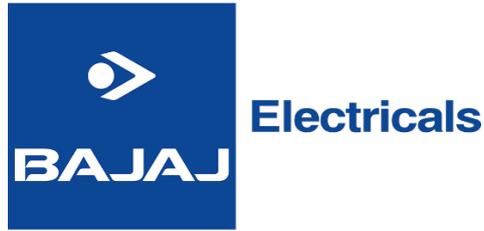
For Bajaj Electricals Limited

Prashant Dalvi

Chief Compliance Officer & Company Secretary

(ICSI Membership No.: A51129)

Encl.: As above.



“Bajaj Electricals Limited
Q3 FY '26 Earnings Conference Call”

February 09, 2026



MANAGEMENT: **MR. SHEKHAR BAJAJ – CHAIRMAN – BAJAJ ELECTRICALS LIMITED**
MR. SANJAY SACHDEVA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – BAJAJ ELECTRICALS LIMITED
MR. VISHAL CHADHA – CHIEF OPERATING OFFICER - CONSUMER PRODUCTS – BAJAJ ELECTRICALS LIMITED
MR. RAJESH NAIK – CHIEF OPERATING OFFICER - LIGHTING SOLUTIONS – BAJAJ ELECTRICALS LIMITED
MR. SUKETU SHAH – FINANCE CONTROLLER – BAJAJ ELECTRICALS LIMITED

MODERATOR: **MR. MANAN GOYAL – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to Bajaj Electricals Q3 FY '26 Earnings Conference Call hosted by ICICI Securities. 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. Please note that this conference is being recorded.

I now hand the conference over to Mr. Manan Goyal from ICICI Securities. Thank you. And over to you, Mr. Goyal.

Manan Goyal: Thank you. On behalf of ICICI Securities, we welcome you all to Q3 and 9 Month FY '26 Results Conference Call of Bajaj Electricals Limited. Today, we have with us senior management represented by Mr. Shekhar Bajaj, Chairman; Mr. Sanjay Sachdeva, MD and CEO; Mr. Vishal Chadha, COO - Consumer Products; Mr. Rajesh Naik, COO - Lighting Solutions; and Mr. Suketu Shah, Finance Controller.

Now I hand over the call to the management for their initial comments on the quarterly performance. Then we will open the floor for Q&A session. Thank you, and over to you, sir.

Shekhar Bajaj: Thank you. Good evening, ladies and gentlemen. I'm Shekhar Bajaj. Thank you for attending the Q3 Earnings Call. We hope you had an opportunity to review our financial results and earnings presentation, which are available on the stock exchanges.

From an industry and macroeconomic perspective, the period began with an encouraging festive momentum and reflected the underlying resilience of the domestic economy, supported by steady GDP growth, and this is reflected in the performance in the Lighting Solutions vertical. Lighting Solutions vertical delivered a strong performance, achieving revenue growth of 9%, representing a best-in-class revenue growth and margins.

While these macroeconomic factors were broadly supportive of industry demand, the company's performance for Consumer Products during the period diverged from the broader market, primarily due to internal actions around the inventory normalization undertaking to address channel conditions. Consumer Products witnessed a decline in revenue of 25% during the quarter, primarily attributable to deliberate channel normalizations undertaken in response to elevated inventory levels across categories.

This was a conscious and prudent action aimed at restoring channel health and ensuring alignment with the evolving demand environment rather than a reflection of any structural weaknesses in the underlying business. Importantly, these measures have strengthened the quality of our distribution, improved inventory visibility, and positioned the company to participate more sustainably in demand recovery as market conditions normalize.

Before I hand it over to Sanjay Sachdeva, I would like to highlight that the fundamental strength of our business remains firmly intact. Our brands continue to enjoy strong consumer awareness. Our market shares across key categories have remained stable, and our distribution reach remains deep. The actions undertaken during the quarter were tactical in nature and do not in any way dilute the long-term competitiveness of the positioning of our portfolio.

I now hand it over to Sanjay for detailed business and financial highlights. Thank you.

Sanjay Sachdeva:

Thank you, Chairman, sir. Good evening, ladies and gentlemen, and thank you for joining our investor call. As Chairman said, we have delivered mixed performance for this quarter.

So let me start with Lighting Solutions. We have remained open and proactive in expanding our presence within the Lighting Solutions vertical through adjacent and complementary categories. As part of this strategy, we initially entered the Switchgear segment in Q2, followed by the announcement of our foray into solar solutions in Q3 and, more recently, the launch of wires this month.

These initiatives are aligned with our objective of building an integrated portfolio to leverage brand strength, distribution reach, and execution capability to drive long-term sustainable growth.

This vertical has consistently delivered revenue growth and margins. Against the H1 revenue growth of 6%, we have accelerated our growth to 9% this quarter, owing to high mix towards focus categories like ceiling and outdoor lights, which has also helped achieve EBIT of close to 7% versus last year of 2%. This is quite encouraging for us, and we are confident to continue the momentum in the upcoming quarters.

Now let me talk about Consumer Products. We have embarked on a journey of cultural and structural change in the way we engage with the channel to move to a more balanced approach between demand-led sell-through and a volume-led push. To embed this approach, it is important to have healthy channel inventory. Over the past few quarters, in the investor calls, we have highlighted elevated channel inventory levels as a key operating concern.

As a result of this transition and the corrective actions taken, channel inventory levels are on a path of normalization. There are still certain pockets, especially the summer-related products, where the channel inventory remains high, and we look forward to its normalization as season picks up.

This structural shift to secondary offtake-led execution will strengthen our channel health, improve revenue predictability, improve margin quality, enhance working capital efficiency and flushing out high-cost incremental sales practices and positions the company -- and it positions the company for sustainable demand-led growth. This has started reflecting in stabilization of market shares across all key categories. The EBIT margins were negative owing to operating deleverage.

I would now like to highlight certain operational parameters that have begun to show early signs of improvement. While the benefits of these initiatives are not immediately visible and will accrue over time, they form a critical part of our broader effort to streamline and strengthen our operations. Logistics, which has been a persistent area of focus for the past 2 years, is now being addressed with increased rigor. We have initiated a comprehensive review across key drivers, including overall inventory levels, space optimization and elimination of high-cost incremental sales practices.

Several corrective actions have already been implemented, and we believe we are moving in the right direction. And post normalization, tangible benefits are expected to be visible in our results. A part of this is already getting reflected in this quarter's cash flow from operations, where we have generated operating cash flow of INR 211 crores and ended the period with a cash and cash equivalent balance of INR 620 crores. The strong equity position provides us with adequate financial flexibility to deploy growth capital judiciously while maintaining balance between strength and capital discipline.

In parallel, we are undertaking a detailed review of other variable cost elements such as product demonstration, customer service expenses, and trade schemes with a clear focus on improving cost efficiency and margin quality. Additionally, fixed costs, which has expanded over the last few years, are now under tighter control. Capital expenditure and innovation investments are also being evaluated more stringently to ensure that growth capital is deployed judiciously and deliver superior returns on investment.

With this, I would like to open the call for questions. Thank you.

Moderator: The first question comes from the line of Natasha Jain with Phillip Capital. Please go ahead.

Natasha Jain: Sir, my first question is on the Consumer Products portfolio. The top line growth, as well as margin, the decline has been very severe. Now that all your peers' set numbers are out, everybody has -- even if top line has been modest, margin improvement has come through because of winter products and they are high margin. And Bajaj is any which way one of the better players when it comes to, say, geysers or room heaters, etc. So wanted to know why such a sharp decline?

Sanjay Sachdeva: So Natasha, one of the things -- Vishal will answer in more detail. One of the things, when we are flushing out stocks, so while we are not selling to our distributors, but we are running promotions on that stock to move to trade. So part of that will get reflected in the margin drop. So keep that in mind, and that is one of the drivers of the margin drop. But this is temporary. So underlying margin will be healthier than what you are seeing, and you will see that improving as we move forward.

Vishal Chadha: Yes. And Natasha, on a -- like has been said that we have taken corrections as far as the inventories are concerned. However, in terms of the secondaries in trade, for example, we have improved our actual market share and our growth has been flattish as far as water heaters are concerned. In instant, for example, we have a single high-digit growth. So the tertiary offtake, which has happened, which are reflective of the market share clearly indicate that we continue to maintain our strength in this space.

Natasha Jain: Understood. Sir, can you just deep dive a little bit as to what are these steps that you've taken in terms of inventory normalization? And how can -- what kind of benefit -- or rather when will this benefit accrue in the numbers?

Vishal Chadha: So the inventory normalization has taken place across our trade channel and also in our aggregators, which service the e-commerce channel. We are on that journey, as was stated in the opening remarks. We expect the normalization process to continue; in a quarter or so, we should be in a healthy place.

Natasha Jain: Understood. Sir, my second question is on the wires division. So broadly, can you tell us the strategy here as to will it be completely outsourced? And what are the estimates that we can build in for Bajaj, say, in the medium term, both in terms of top line contribution from this as well as margins? And will you be selling this from your existing FMEG channel itself?

Rajesh Naik: Yes. This is Rajesh here, Lighting Solutions business. So strategy as of now is that we introduce considering the strength of our distribution, which is there in the market. And as the channel overlap is there, we feel that it is completely logical to enter into this particular space, which is growing much faster.

And in that, we are -- the strategy on manufacturing or outsourcing, as of now, we are exploring that what is the most beneficial way, and we have just entered into that. And looking at the current traction, we feel the outlook will be good. As of now, we don't want to project in terms of numbers or revenue which are coming out of that, looking at the forward numbers.

Natasha Jain: Got it. Sir, just one related question on that. In terms of wires, there are a lot of incumbents right now, and some of them, in fact, larger peers are losing market share in this segment. And on top of that, the commodity volatility is also extremely high. Just want to know, I mean, I understand TAM expansion is one of the strategy here and we can leverage our channel reach. But is that the only moat here in this business? What would lead a dealer to switch from, say, a Polycab or a Havells to a Bajaj?

Rajesh Naik: So again, brand strength, which is there and as you are aware, and the quality of what we are going to offer, which comes along with the brand. The trust which is created on that basis we are in this particular business, which is the legacy of brand Bajaj.

Natasha Jain: And when you say quality, sir, you are outsourcing it completely, right?

Rajesh Naik: Yes. But it's definitely the product which is not complete -- means it is not off-the-shelf products. We do add in terms of what we are looking for from that particular product before we enter into the category.

Moderator: Next question comes from the line of Manoj Gori with Equirus Capital. Please go ahead.

Manoj Gori: Sir, I just want to understand the thought process behind this channel correction, what made us to this decision, why we took this decision? So first, if you can answer that?

Vishal Chadha: If I look back at the year so far, we have seen that the summer season did not pan out as per the expectations. And owing to that, the channel was carrying a significant amount of inventory. Now if you look at our business and the contribution of summer products, which is relatively volatile products like coolers and TPW, etc, our business is almost 20% - 25% contribution typically comes from -- in a normal year comes from these businesses, which in this year was approximately half of it. And therefore, the channel had been carrying the inventory.

Secondly, the second summer which typically comes later also did not pan out. And this was impacting both the health of the channel as well as their ability to stock up for relatively faster-moving products. So we, as has been said earlier also, thought it is prudent and judicious to take

this correction rather than loading the inventory into the channel more and more. And we expect as it normalizes in the coming days, it will actually be more beneficial for the business and our channel partners.

Manoj Gori:

Sir, one thing is if you look at we just commented like we have gained market share. So ideally, our position in the channel should have been better versus peer. Peers have reported relatively better set of numbers on the top line side. Third, if you look at an air cooler company, which has reported their numbers, they have reported by and large flattish kind of number and their sole business is air coolers?

So on one side, we are talking about market share gains. But on the other side, we are saying like our channel inventory was higher as compared to peer. Is that the right interpretation? And then if that's the case, then probably our Q1, Q2 numbers, probably the correction that we took in Q3, that should actually should have been more visible in Q1 and Q2 if we would have maintained that normalized levels of inventory?

Vishal Chadha:

So like I said, the levels of inventories remained elevated and the assumption was it would go down first in Q2; the summer did not pan out. And then after that, which was quarter 3, which was about the festive period, we thought it's the right time to normalize this as we move into the next financial year.

Now as far as competition is concerned, I really can't comment on that. But for us, for example, coolers are down by almost 38% to 40% versus our sales last year. So we have been impacted as far as the seasonality is concerned.

Manoj Gori:

Right. Sir, one last question, if I may. If I look at the Q3 performance and somewhere the channel would have normalized in terms of inventory levels. Then in this case, I presume like other brands would be having higher inventories in the channel as of now?

In this case, is it not -- is this understanding correct that their market share probably in the coming months and quarters might be at risk? Because even your retailers and dealers would be -- in fact, they would like to liquidate other brands' inventory first and then probably go for primary billing?

Vishal Chadha:

Market shares are reflected by the tertiary offtakes, which happen off the shelf. And as has been said in the opening remarks, it's about changing the principles of doing business. It's not about stuffing the channel, but it's about having the optimal level of inventory and an approach which drives market share and consumer pull. So I think the hypothesis that the more you fill in the inventory into the channel, that translates into a higher market share is not necessarily something which we believe.

Manoj Gori:

So sir, somewhere, should we expect a normalized performance from fourth quarter onwards? Or it will take some time still, probably it should be more visible during FY'27?

Vishal Chadha:

It would be more visible during FY'27. As we said earlier, we are in the path of normalization. In pockets, there are still some additional corrections which we need to take. And therefore, by FY'27, we should start seeing positive results.

- Moderator:** Next question comes from the line of Praveen Sahay with Prabhudas Lilladher Capital. Please go ahead.
- Praveen Sahay:** My first question is or a clarification is related to the -- as you had mentioned in the opening remark, that the summer products still have a higher inventory. Is it what you have said, like, just a clarification?
- Vishal Chadha:** It is lower than what it was in the beginning of the quarter, and we said that it's in the process of normalization and it would take probably one more quarter for it to completely normalize. Also, we think is that because of the bad season, the channel partners are also being cautious in loading -- taking stocks at a very, very high level. So it's a mixture of both.
- Sanjay Sachdeva:** Sir, the stock correction is taking into the base. One way is the ones which are high and are not seasonal, that correction is we are seeing the secondary is much higher than what we are selling to the trade.
- Other correction -- way of doing correction is the summer products where the usual loading which happens in -- partly in quarter 3 and partly in quarter 4, we'll be more cautiously loading it because we want the stocks to be flushed out which is already sitting in the channel. So that is another way of correcting the stock in the channel.
- Praveen Sahay:** All right. Got it, sir. Second question is related to the commodity inflation. So is there any price hike expected from, you know, the Bajaj? Or you had taken to mitigate the commodity inflation so far?
- Vishal Chadha:** Yes. We took -- we have already announced a price increase ranging from 2% to 5% from -- with effect from 1st of February.
- Praveen Sahay:** And how much of the commodity inflation is expected to cover with this?
- Vishal Chadha:** We expect to cover bulk of the commodity inflation with this price increase. Plus, at the same time, we continue to do activities around VAVE - value engineering and value addition. And as and when we feel it's the right moment, we might decide to pass on some of that benefits to the consumer also. But as of now, the commodity impact, we have utilized it by and large.
- Praveen Sahay:** Okay. Next question is related to the -- some time back you had announced for the switchgear. So how is the, so far, the traction from that segment?
- Rajesh Naik:** So -- this is Rajesh again. When we launched, we had a good response from the trade who are our current partners as well. At that time, we were working on creating the stock, and the stock took a little more time. So secondary has started since last month. And feedback from the market in terms of quality and other parameters is much encouraging. And we are looking forward for the higher numbers coming through coming quarters.
- Praveen Sahay:** So now you have 3 verticals, switchgear, solar solutions and the wire. Any target the company has set for the next couple of years where to reach?

- Rajesh Naik:** So these are all big categories, and that is where we are trying to test water and try to see how we can get our share, rightful share in these particular segments. As of now, we are working on 3 years plan. We will not be able to reveal numbers till we finalize that with the Board.
- Moderator:** The next question comes from the line of Rachna Kukreja with SIMPL. Please go ahead.
- Rachna Kukreja:** This might be a repeat question. Now the BEE transition is happening in 2026, how are the channel distributors reacting the time? Because a similar transition happened during 2023, and that time, the industry saw higher inventory levels at the distributor end, which took some time to normalize. And are distributors now willing to stock? Or is there any caution? And do you see any risk of excess inventory related to prolonged winter in the distributed channel for fans?
- Vishal Chadha:** So like I mentioned during the last call also, we are in a better position to navigate this change this time. And because, firstly, there was already a slightly elevated level of inventory with our partners, we navigated that change well and did not feel the need to put in more stocks as far as fans were concerned.
- So, it's a novel process of channel inventory normalization, which we have already talked about earlier. And so far, there has been -- as and when the season progresses, we've also mitigated the cost impact. Commodity impact is different. But from a design, etc, point of view, we have mitigated that impact.
- Like I said earlier, from a VA/VE point of view. So going forward, we remain cautiously optimistic that there would not be any resistance from the channel partners or distributors in stocking up. Of course, it is dependent on how the season pans out and how the summers pan out.
- Rachna Kukreja:** Okay. So what are the ground level other channel inventory? How are their sentiments currently? If you could give some colour on that as well?
- Vishal Chadha:** I'm sorry. Could you please repeat the question?
- Rachna Kukreja:** Just more on the BEE regulation transition part, how are they reacting to it? If you could give some colour on that?
- Vishal Chadha:** Well, it's a regulation. So as far as the partners are concerned, at least on ground, I don't see any massive resistance or problems around it because it is now the second time which is happening. So people are used to this ratcheting happening over a period of time.
- Moderator:** Next question comes from the line of Alok S with 360 One Asset Management. Please go ahead.
- Alok S.:** Sir, just two questions. Firstly, there is this initiative that you have taken, maybe it's a good cleanup and hygiene. Is there now -- should we think like a Board-approved process where inventory in the trade beyond a particular duration would be considered to be like kind of flushed out this way? Or this would be a one-off event? How should we think?

Sanjay Sachdeva: So there is no Board approval or inventory flush-out. Though this was discussed in the previous Board meeting, but it was no -- there's no Board approval, per se. If you can talk more about exactly what the question is.

Alok S.: Yes. No, I was just trying to think through that how in retail also, there are some inventory kind of processes in terms of liquidation, etc., which at times are Board approved with respect to beyond a particular timeline, you account for the inventory in particular method. So I was just trying to gauge that from either shrinkage or write-off or just trying to not push more inventory. Or is it just onetime cleanup? How we should think?

See, essentially two things I'm thinking. Maybe it's the earlier inventory levels in the trade would be high, and we decided before the season, we kind of prune it to an optimal level so that the next primary sales for Bajaj becomes much more smoother, cleaner and ROI for the trade should improve going ahead. Was that the thought process when we took off, initiated this process of kind of reducing the primary?

Vishal Chadha: Yes. So if you are trying to draw a parallel with retail industry, for example, it's apples to oranges because here, we are flushing out our inventory. It is about channel hygiene and the channel partners' inventory. So as far as -- we obviously have our own process of looking at whether slow movers, etc, which are not -- it's a very small part of our overall business.

And those are the normal practices which we follow as and when we want to liquidate those. But that's business as usual. It is not something what we were alluding to over here. It is not our inventory which is an issue. It is the inventory with the channel partners and the channel hygiene which we were more focused on.

Alok S.: Got it. And -- sure, sure, this is helpful. And can you kind of elaborate so then what were the outstanding or elevated levels in terms of days or categories which had kind of bulked up in the trade? What has it come down now to? And what is like a normal hygiene level as a process going ahead you would want to maintain? Any such maybe quantification would be helpful. Yes, that's it from my side.

Suketu Shah: Suketu this side. So if I have to elaborate from the number of days, we just want to give you a fact that in Consumer Products, it is down by 30% in terms of number of days. So that's one bit of it. Now how much inventory we want to carry in the channel, at the same time, what's the healthy inventory is the dynamic number that keeps on changing with the scenario environment and the seasonal factors. So while there is no return thumb rule around it, but we are very cautious in the way we want to culturally operate with the channel.

Moderator: Next question comes from the line of Anuj Sehgal, Manas Capital. Please go ahead.

Anuj Sehgal: This question is for Mr. Bajaj. Mr. Bajaj, over the last several years, you had also embarked upon the Range Reach Expansion Program where the focus was on a pull-based system and it was followed for some years. And then from our understanding, it was abandoned. Are we going back to that same philosophy of going back to a pull-based model?

And sort of my question is, why did we abandon that model? And why are we going back to the same model again? That is one. And secondly, if you look at the business over the last almost more than 10 years, the business has not delivered on its potential both on the top line and on the margin, especially on the margins?

So how should we think about the Consumer Products business, let's say, over the next 5 years in terms of what it can achieve both from a top line and a bottom-line perspective? And I mean if Mr. Sachdeva could pitch in, that would be helpful?

Shekhar Bajaj:

Yes. Thank you very much. See, I'll tell you that the RREP which was introduced was an outstanding thing which we had done, and we had improved our distribution very well. But one thing which we found was that because of that distribution, it was coming out to be a problem that we were covering all the outlets. Around 2 lakh outlets we had covered, but the cost was not working out. So now we are doing our RREP but in a different way.

We are doing it by also having direct dealers. We're also doing a distribution, which is like RREP. We don't call it RREP, but the distribution by which we are covering outlets to -- like for example, if somewhere, there's a INR10 lakh sale per year. And there's somewhere it's only INR10,000 sales per year or INR1 lakh.

Earlier, we were going to every outlet. An INR10 lakh outlet also will be visited every week, and an INR1 lakh outlet will be also visited every week. Now we are going to, through our channels, depending on the demand and the possibility, we will increase the movement and visit to that place, where there's a INR10 lakhs business and relatively less visit to those which is INR1 lakh business.

So therefore, that is where the change will take place compared to what is being done earlier. But RREP as a procedure was good. And what -- just now, what you've been hearing, which is what we have done in the last -- starting from last quarter is that please concentrate on secondary rather than primary.

And therefore, because of that secondary sales, though we have shown a negative 25% negative growth in case of Consumer Products, as was mentioned, the market share has not gone down much because actually we have reduced our inventory levels.

We have reduced the inventory level of our dealers as was mentioned by Suketu, has been reduced by almost 30%. So therefore, because of which their margins will improve because if you keep inventory which you don't need, you are ending up paying carrying costs, godown costs, and all that.

So we have reduced our inventory to that extent, our godowns requirement has gone down. Our total carrying cost has gone down. That's why our cash flow has improved by INR 210 crores because we have been able to free our cash, which was dead either in inventory or in outstanding. So that is where -- also at the month end, we don't like this type of pressure which comes in because we want to achieve our top line. So top line is only a transfer from our stock to our distributor stock, which we don't want. We want a secondary sale.

And therefore, the whole emphasis in secondary sales, that is why this correction, which is taking place and normalization which is taking place will result in long-term margin improvement for dealers. Our cost of carrying will come down, and it should be a win-win for all. Does that answer your question?

Anuj Sehgal:

No, yes, it answers the question, Mr. Bajaj. What I only hope that this also leads to sustainable growth and improvement in the profitability of the business. I mean, as you know, the margins in the Consumer Products business have been low-single digits, and they have been stuck there for a while. So either the cost structure of the business needs to be reviewed or we need to have sustainable growth for the business to absorb the higher cost base. And it doesn't -- so I don't know what is being done on that front to achieve sustainable profitability, at least in line with your peers?

Shekhar Bajaj:

You'll see that happening. The improvement you'll see starting with the fourth quarter. But next year should be showing a substantial improvement because all those corrective actions which we are talking about, by doing that, your cost is coming down, and therefore, your margin obviously improves. If my inventory carrying cost goes down, my godowns I've already given up a lot of godowns, number of outlets to whom we are selling, keeping inventories being reduced.

All those areas are being done because we realized what you are saying is correct, that cost has to be kept under control because margins cannot keep improving by improving selling prices. The margins will only improve by reducing your cost, and that's what our objective is. So you'll see things happening in this quarter also and coming in the next quarter.

Moderator:

Thank you. Ladies and gentlemen, as there are no further questions, we have reached the end of question-and-answer session. I would now like to hand the conference over to the management for closing comments.

Shekhar Bajaj:

Thank you very much, all of you who have joined this conference, and your questions and answers which have been -- we've had. So we'd like to wish you all the best. And let's hope the next few quarters, you will see some improved results. Thank you very much. Shekhar Bajaj here, saying goodbye to you.

Moderator:

Thank you. On behalf of ICICI Securities, that concludes this conference. Thank you for joining us. You may now disconnect your lines.