

Crompton

Crompton Greaves Consumer Electricals Limited

Registered & Corporate Office:

05GBD, Godrej Business District, Pirojshanagar,

Vikhroli (West), Mumbai 400079. India

Tel: +91 7304575254

W: www.crompton.co.in CIN: L31900MH2015PLC262254

Email: crompton.investorrelations@crompton.co.in

Date: February 11, 2026

To, BSE Limited ("BSE"), Corporate Relationship Department, 2 nd Floor, New Trading Ring, P.J. Towers, Dalal Street, Mumbai – 400 001.	To, National Stock Exchange of India Limited ("NSE"), "Exchange Plaza", 5 th Floor, Plot No. C/1, G Block, Bandra- Kurla Complex Bandra (East), Mumbai – 400 051.
BSE Scrip Code: 539876	NSE Symbol: CROMPTON
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Our Reference: 159/2025-26	Our Reference: 159/2025-26

Dear Sir/Madam,

Sub: Disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) – Transcript of Earnings Call

With reference to our earlier intimations dated January 19, 2026 and February 06, 2026 regarding the Earnings Call on the Unaudited Financial Results for the quarter and nine months ended December 31, 2025, held on February 06, 2026, please find enclosed herewith the transcript of the same.

You are requested to take the above information on your record.

Thanking you,

For **Crompton Greaves Consumer Electricals Limited**

Rashmi Khandelwal
Company Secretary & Compliance Officer
ACS – 28839

Encl: A/a



Crompton Greaves Consumer Electricals Limited
Q3 FY26 Investor Conference Call
February 06, 2025

MANAGEMENT: **MR. PROMEET GHOSH – MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER**
 MR. KALEESWARAN ARUNACHALAM – CHIEF FINANCIAL OFFICER
 MS. SWETHA SAGAR – CHIEF BUSINESS OFFICER, BUTTERFLY GANDHIMATHI APPLIANCES LIMITED
 MR. RAJAT CHOPRA – BUSINESS UNIT HEAD - HOME ELECTRICALS
 MR. SHALEEN NAYAK – BUSINESS UNIT HEAD - LIGHTING AND SOLAR ROOFTOPS AND WIRES
 MS. NATASHA KEDIA – HEAD - INVESTOR RELATIONS AND CORPORATE COMMUNICATIONS

HOST ANALYST: **DHRUV JAIN – AMBIT CAPITAL**

Moderator: Hello everyone, welcome to Crompton Consumer Electrical Q3 FY26 earnings call. From the management today, we have with us Mr. Promeet Ghosh, Managing Director and CEO, Mr. Kaleeswaran Arunachalam, Chief Financial Officer, Ms. Shweta Sagar, Chief Business Officer, Butterfly Gandhimathi, Ms. Natasha Kedia, Head Investor Relations and Corporate Communications, Mr. Rajat Chopra, Business Head, Home Electricals and Mr. Shaleen Nayak, Business Head, Lighting, Solar Rooftop and Wires.

Thank you so much and I request the management to give the opening remarks.

Promeet Ghosh: Thank you very much. Thank you everyone for joining and good evening. Welcome to this earnings call.

As you already know, Kaleeswaran, Shweta, Shaleen, Rajat and Natasha are with me here. I will make some initial remarks and then we can follow that up with Q&A.

Throughout Crompton's 85 plus year history, as you are aware, we have deliberately entered categories where we can build meaningful leadership through scale, distribution and a trusted brand.

Our track record from fans and pumps to lighting, appliances, kitchen and now solar shows that focused plans plus disciplined execution, leveraging our strengths coupled with strong unit economics and thoughtful capital allocation, delivers results. Today, I am delighted to announce another important strategic step. Crompton is launching a range of residential wires. This is a large and attractive market. There is clear adjacency with many of our products and we have a strong right to win in this market. We will leverage Crompton's brand equity, pan-India distribution, and deep dealer relationships to pursue meaningful scale and leadership. This expansion materially increases our addressable market, enables us to become an end-to-end home solution player and supports our long-term objective of delivering sustainable shareholder value. These products will become available to consumers in select markets in the next six to seven weeks.

On another front, one of the big activities and events for our business has been the BEE 2.0 transition in our ceiling fans category. This was effective from 1st of January 2026 and was a major industry inflection point. We transitioned seamlessly as the world's number one ceiling fans brand. Managing this technology shift at scale required decisive cross-functional execution. Our two-part approach comprised responsibly managing and liquidating legacy one star inventory and ensuring future readiness through targeted engineering and R&D. We delivered this smoothly, seamlessly and I am delighted to say with no hiccups.

Moving on to financial performance. Beginning with the Q3 performance, sequentially we have witnessed strong improvement quarter on quarter. Consolidated revenue was Rs.1,898 crores. EBITDA grew 18.5% QoQ and EBITDA margin expanded to 10.3%. This recovery was led by volume and margin improvement in ECD complemented by continued industry-leading margins in lighting. We continue to gain share across categories. Our progress in BLDC fans is particularly encouraging. We are also now the second largest water heater brand in GT

nationally. Along with this encouraging sequential trajectory, our year-on-year growth has also witnessed positive traction. Revenue grew about 7% driven by ECD growth about 8% and lighting growth about 7% YoY.

ECD performance was led by strong solar pump execution, volume growth in LDA and continued improvement in SDA. Lighting growth was supported by ceiling lights and accessories together with new product launches.

Commodity cost, this is something you hear very often in the consumer durables business now. Over the last quarter, commodity cost inflation persisted. Pricing actions were taken during the quarter, and we expect that further actions to defray cost increases will continue to be taken going forward. We anticipated the commodity cost increases and for a while now, we have been qualifying alternate raw materials without compromising quality and continue to offer industry-leading warranties in our products. We calibrated brand investments due to seasonality, maintained tight cost discipline and strong execution across channels. PBT prior to exceptional items was Rs.156 crores this quarter with a margin of 8.2%.

Butterfly delivered a steady revenue of Rs.245 crores with a growth of 3% YoY led by premiumization in gas stoves and GST driven demand for cookers. Both areas registered double digit growth. EBITDA margin, an area that we have been focusing on for some time, expanded by nearly 100 basis points YOY to 8.2%. This was aided by gross margin improvement and cost optimization. Overall, the net profit of Butterfly grew 44% YoY this quarter.

We remain confident of our ability to scale the businesses that we are entering while delivering resilient performance in all our core categories.

I now open the floor to Q&A and as is required, I'll ask my colleagues down the table to step in and answer questions that might arise. I am hoping that this one-page readout addresses all your questions, but nevertheless, we remain open.

Moderator: Sure. Thanks for the opening remarks. Anyone who wishes to ask a question may use the raise hand function and we will put you on board. We request you to restrict your questions to two per participants. We will wait for a moment till the question queue assembles.

We will take the first question from Aditya Bhartia. Aditya, you can go ahead with your question.

Aditya Bhartia: Hi, good evening, sir. My first question is on the wires business. Just want to understand what is going to be our procurement strategy around that. Are we going to manufacture or are we going to procure it from third parties? What kind of CAPEX and OPEX costs this business may entail? And how are we looking at sales ramping up? What are some of the initial targets that we have set for the team?

Promeet Ghosh: Aditya, this is a business that we are currently beginning based on outsourced product. As you are aware, we do a fairly good job of outsourcing our products. But we have spent the last six to nine months, doing a bunch of work on the go-to market as well as the supply chain. By the way I didn't announce that we entered the wires business. I announced the launch of those products.

So, you can imagine there is a slight difference. The products are ready, and we expect that, in select markets, near full range of residential wires will become available in the next six to seven weeks. I don't want to talk about what kind of revenues we expect. That is a forward-looking statement. But we do expect that this is a very large business, about Rs.36,000 -37,000 crores, where we have a right to win. And over a period, I would expect us to get a fair share, if not a leadership share, in the near to medium term.

Aditya Bhartia: Understood, sir. My second question is on the solar rooftop business, wherein we had won some reasonably large-sized tenders. Just want to understand the progress around that. Have we started recognizing some revenues from that? And if not, then can we expect something to be starting from fourth quarter?

Promeet Ghosh: We have started recognizing revenues. And we have booked about Rs.18- 19 crores in the solar business last quarter. And we expect this to keep ramping up in the coming quarters. Again, we announced our entry into the market after some work had been done. And that is why you're able to see us start to book revenues from the get-go.

Aditya Bhartia: Sure. And it is from the state tender order only? Or is it from direct sales to consumers?

Promeet Ghosh: Currently, it is from the state tender orders, B2B orders. And this quarter, I am expecting that the other direct-to-consumers will also kick in.

Aditya Bhartia: Perfect. That is great to hear. I will come back in the queue. Thank you.

Moderator: Thanks. We will take the next question from Siddhartha Bera. Siddhartha, you may unmute your line and go ahead.

Siddhartha Bera: Thanks for the opportunity, sir. Sir, first question again, on this wire and cable side, will it be limited to wires or do you at some point also plan to enter cables? And by when should we expect full pan India sort of launch of the wires? And would we also look to target the institutional clients, or it will be only limited to the retail network which we have?

Promeet Ghosh: So, we are currently entering residential wires, which is an overwhelming majority of the market. Obviously, cables will be an area that we potentially keep looking to evaluate and enter as we go along. Currently, as I said, we are going to be available in limited markets. Over a period we will become available pan India, like our other products are.

Siddhartha Bera: Got it, sir. And on the solar pump side, can you also highlight the revenues and any order book? Because I could not find that in the presentation.

Kaleeswaran A: Siddhartha, as you know, we do not disclose that specifically, allow us to skip that. I think our order book is robust. As and when we are getting an order, we do make a SE announcement around it. And that execution is ongoing.

Promeet Ghosh: I think it is fair to say that our solar pumps business revenue has double YoY. To be fair, more than double the revenue. But I mean, that is the limit of the guidance that we give.

- Siddhartha Bera:** Got it, sir.
- Moderator:** Thanks. Next question is from Umang Mehta. Umang requests you to restrict yourself to one question.
- Umang Mehta:** Okay, sure. So, the only question I wanted to ask was on water heaters. So sometime back, management had highlighted that we were number one on E-com, but number five or six on GT. Just wanted to check, have you gained significant market share in that space?
- Promeet Ghosh:** In water heaters, I am now delighted to say that we are number two by market share in GT. So, we wanted to ramp up our presence in GT. That is what's been happening over the last couple of quarters.
- Umang Mehta:** On wires front, could you share some color on a strategy that you are going to kind of deploy in terms of whatever you can share on pricing or influencer engagement, distribution? Some more insights would be helpful. Thank you.
- Kaleeswaran A:** We announced #TechwithHeart, and we had a meeting with analysts and held a press meet. . Similar to that, we will have an engagement on which we will have an analyst, and a press meet where we will talk about the product range and what are we differentiating with. And that's short term. It's a matter of few weeks in which we'll hear it. Strategically, we are entering in because there is a right to win. We have a go-to-market. The brand is very strong. And as you know, Crompton, whenever we enter a category, it's to approach towards a leadership. And this is in line with that. And that is what we are going to do in wires also.
- Umang Mehta:** Sure. Thank you so much.
- Promeet Ghosh:** Tongue in cheek, I can tell you, Crompton has been selling several order of magnitude, a lot of wires in the market. But only thing, Crompton Greaves did not sell them. So, now Crompton is going to sell by itself. You know what I mean?
- Umang Mehta:** Yes, I do. I am aware about that. Wish you all the best. Thank you.
- Promeet Ghosh:** Thank you. But this is a direct to market, as you might imagine. So, we have identified the channel, some channel partners and select markets where we are first going to start and then ramp up from there.
- Moderator:** Thanks. The next question is from Aniruddha Joshi.
- Promeet Ghosh:** Hi, Aniruddha.
- Aniruddha Joshi:** Hi, sir Thanks for the opportunity. Sir, in terms of fans, just a strategic question. Now, the price hikes in induction fans will be far higher than the price hikes in BLDC fans. So do you see the category of induction fan may, phase out in five-six years, like CRT televisions or very basic light. Will that automatically lead to a premiumization of BLDC category as well as Crompton also? So that is one question.

And then second and last question is we are entering various categories like mobile accessories, cable wire, solar rooftops, and like obviously fans etc. is already there. So, the distribution network overlap will be very minimal, like mobile accessories would be largely e-comm category. So how do you see synergies between all these products working out? That's it from my side.

Promeet Ghosh:

First question about induction motors and BLDC motors. Firstly, I don't necessarily agree with you. The kind of cost increases in induction motors depends on the technology and the work that you are doing on the inside. And as Kalees briefly mentioned, this is something that we have been working on, not just today, but for the last one and a half years. So, I do not think that induction motors will necessarily get priced out in this market if anything. And there are advantages in BLDC and those necessarily do not overlap. You know, for instance, an induction motor fan, the kind of air delivery that it can deliver cannot be made by any other technology, not now and not for some time to come. So, in fact, induction motor, particularly for players like us, remember, we are not the largest induction motor fan company in India. We are the largest ceiling fan company in the world. We do believe that, that kind of leverage will allow us to competitively offer both induction as well as BLDC fans in the long run. In fact, even in the short run, as you will find out soon enough. What was the second question?

Kaleeswaran A:

Second question, maybe on the channel strength and other things that we're taking in. I think fundamentally, Aniruddha, if you look at it, we had a clear called out strategy that TAM expansion is going to be crucial. And we divided this into play-to-win and play-to-participate. If you look at some of the core categories that we are looking at, ideas to how do you take your Rs.80,000 TAM to about 200,000. The large categories that we are entering as play-to-win from that perspective, apart from where we are already is what we have announced, solar pumps, solar rooftop, where meaningful businesses are getting built. Now wires come in. So, with this, the TAM is already moving into almost Rs1.5 to 1.6 lakhs. After that, there are play-to-participate categories, mobile etc. is a simple play-to-participate category, not a large category that we are looking at it.

Also wanted to tell you that as we speak, while Crompton is extremely strong in general trade, we are the number one e-commerce player in the segments that we operate in also. So, it complements that and that will help us to grow the play to participate categories also.

Moderator:

Thanks. The next question is from Manoj. Thanks. Manoj, you can unmute yourself and go ahead with your question.

Manoj Gori:

Thanks for the opportunity. Sir, you just give a brief indication of the entry or launch into wires and cables. I just want to understand the thought process like right now we are outsourcing but probably with scales moving up somewhere in FY27 we plan to invest more into this business, set up your own manufacturing facilities. Secondly, just continuing with wires, your channel synergies will be the best part for Crompton but in terms of distributors and all, there would be new distributors which you need to get on board. So how things are progressing over there?

And second question on the fans, the price hikes that are required to offset the commodity inflation and INR depreciation. So, whether industry considering the demand environment, whether industry is set to take those kinds of price hikes and should we expect margins to remain at normalized levels going forward as well?

Promeet Ghosh:

Okay, good questions. Firstly, on wires, what is our sourcing strategy? Currently, our sourcing strategy is outsourced. Remember that, this is something that we do quite well. In many of our products for the last several years, we have a reasonably large outsourcing that's because one of the competencies that Crompton has is to ensure that the product quality can be very strictly maintained, we can get good quality product at reasonable prices. So currently, our greatest strength is our brand and our go-to-market, and we do not, as of now in the next year, anticipate significant capital investments in this. We will see as we go along and see as we get to scale. As far as fans are concerned, yes, commodity prices are a concern. You will remember the last time when we had a conversation, a similar question was asked. And I had told you that, for our part, we would want to continue to take constructive pricing actions to defray cost increases. You can see that coming through in our margins this quarter. I do expect that the industry will also be equally responsible in this regard in the current quarter. So, it is very difficult to say how commodity prices will go. But, I am hoping that the industry will be as responsible as we have been in this regard.

Manoj Gori:

Thank you, sir. So just to follow up on wires, with regards to your channel synergies. So, retailers, yes, it would be the same retailers, most of the retailers. But when it comes to distributors, I think you need to get distributors on board. And how we plan to progress wires reach into a greater number of states and probably how we are planning for that. That is all.

Promeet Ghosh:

Like I said earlier, you know, we have been planning this go-to-market for some time. So, you know, we will have a mix. But given Crompton's position, we do believe that we have the right to have a strong go to market.

Kaleeswaran A:

And Manoj, to add to it today, also, if you look at it, we have good synergy on many categories where distributors overlap. So, when we are talking about entering this category, groundwork has already been done amongst the number of distributors that we have, where we have synergies, where we have overlap, which market we need to appoint a new distributor and how do we need to go about it. That planning has been done in detail. And therefore, what we want to say is that consciously we are entering in few states, there is a value proposition with which we are going to test in these markets. As the value proposition gets accepted, there is a national scale up that would happen. As that happens, other things including supply chain investment required would also follow. Right now, it is a very cautious, clear capital allocation on a growth category to expand our TAM with a clear strategy on how to win.

Manoj Gori:

Thank you, sir. And wish you all the best.

Moderator:

Thank you. Thanks. The next question is from Praveen Sahay. Praveen, you may unmute your line and go ahead with your question.

Praveen Sahay: Thank you for taking my question. So, first question is related to the price hike and you had given an indication there is some substitute RM to minimize the impact of RM inflation. So can you talk more like last quarter you indicated around one and a half percent of price hike in the fan. So, what percentage of RM have you covered with the price hike and what kind of substitute RM are you taking to minimize the RM inflation?

Kaleeswaran A: Praveen, some of these alternative RMs are very strategic and competitive information, so allow us not to disclose. The way we are working is how do we get our gross margin up considering there is a flagship UNNATI cost program that we have been running for many years now that continues to provide good accrual that includes technical levers that we use for saving and also some of the commercial negotiations that we do considering the scale at which we operate. Subject to that, wherever there must be price that needs to be taken up to pass on, we have been consistently doing it. There has been a price hike that has been taken in January, net price increase of about say one to one and a half percentage. We are looking at two more rounds of price increase that would happen in Q4 and Q1.

Praveen Sahay: Thank you for that. My next question is related to your announcement earlier of a greenfield expansion with the 3.5 billion. So, where we are about that?

Promeet Ghosh: That is progressing and I would venture that we would be in a position to give you more details in the near term.

Kaleeswaran A: It's progressing very well.

Moderator: Thank you. The next question is from Rachna Kukreja. Rachna, you can go ahead with your question.

Rachna Kukreja: Yes, my first question would be on Butterfly. What is the primary driver of gross margin improvement in Butterfly given raw material prices have remained volatile?

Swetha Sagar: So, hi, Rachna. I think we did talk about our change in go to market sometime back. I think that's what is paying us off. So, we have two parts over here. The first one is in terms of preimmunizing our own portfolio. So, we did launch our range of Idea First Series in Q2 this year, which started doing well for us and our contribution is right now significant. The second one is, we are in sync in terms of taking our price increases in line with price increases that are happening in the market. So, it is a mix of both. One is price increases, and the other one is premiumization that is there.

Promeet Ghosh: So, what you see playing out in Butterfly is initiatives that we flagged over the last two quarters. The product mix is improving. Not only is the ASP going up, but the margin of new products that have been added is higher. That is helping. And, I want to emphasize, we have been saying for some time that the terms of trade with the go-to-market, we are working very hard to reset those terms of trade. And again, what you are seeing now is improvements coming through from there.

Rachna Kukreja: Okay, understood. One more question, data related. I understand Idea First series have traction well., I have seen good reviews on Amazon as well. In presentation also we have mentioned that the contribution has increased. If you could quantify how much it has increased versus previous quarter and overall in terms of volume, what has been the growth for Butterfly this quarter year on year?

Kaleswaran A: Specificity Rachna, we do not share. I just wanted to leave with the thought that Idea First series has played a significant role, not only ability to sell premium products through Idea First, but also uplifting the overall brand, where we become a choice for consumer. We have been a number two player in many categories apart from leadership in Gas stove. Now we are challenging the number one player by meaningful innovation being brought in. So, allow us not to share the specific contribution. From a volume growth perspective, largely, it's been a quarter that has been led by pressure cooker, which is what we are called out in our press release. Also., it is about a single digit volume growth is what we have delivered.

Moderator: Our next question is from Manjeet. Manjeet, you can unmute yourself and go ahead with the question.

Manjeet Buaria: Promeet, I have just one question. You know, I am curious about this. Every time, a leading company in our industry enters an adjacency, the rationale is obviously, you will leverage your brand and your distribution, which are already strong in some category. But what I noticed is very rarely does that company become a top two player. And even if they get meaningful revenue share, the profit share is like very minuscule. And I think to some extent, we have seen it with wires and cable, leading peer who did it and fans, etc., where they never really got any profits. And if I could be a bit this thing, even our lighting business over the decade has not really done much right in terms of growth or making good profits. So, I am just curious, why this wires and cables will be any different?

Promeet Ghosh: Manjeet, I cannot tell you what other people have done and what other people have achieved. I can tell you what Crompton has done, and what Crompton is demonstrating today. As far as Crompton is concerned, we entered an adjacent category of solar pumps, two and a half years ago, our business has steadily grown. And not only has it grown, but it is also very profitable. And in the last quarter alone, where the solar pumps business market has de-grown overall, we have more than doubled our sales. Which means significant share improvement in market share.

Similarly, as far as our lighting business is concerned. Our lighting business, we started before our fans business. But while I agree with you that our lighting business had a marked time, for a few years in the earlier. Now, over the last two years, it has been an area of significant focus. And today, our lighting has leading growth and leading margins. So especially if you take out non-allied products of competition, sometimes, it includes wires also, sometimes includes switchgear also. If you do pure lighting, in both the areas, we are leading and I have to say that, now that we have started to realize and leverage the benefits of Crompton's position, it is for all to see what that can translate into. So, I don't want to comment on what other people have done or not done and how well they have done it or not done it. But we do believe that wires is an another area, where we have a right to win. And we will see where that goes.

Kaleeswaran A: I want to add to what you said. I think fundamentally, we talked about play to win categories. As Promeet said, I would urge to go back and look at history, what we have delivered. While yes, fans are something that followed lighting. Today, we are not only India's number one player, but we are also world's number one player in fans.

Secondly, if you look at pumps, we again entered after that. today, we are India's number one company in residential pumps. Subsequently, we entered water geyser, we are number one in e-commerce, number two in GT. Then we got into kitchen, we got a Butterfly acquired from a top six, we are a top three player. Then we got into air coolers again came from seven or eight and then moved into top three. Solar pumps already we are touching at about a top three player. So, if you look at it, in the past 10 years, we have not entered a category to fish around for a very short-term duration. Category strategy is very well thought through. It is not something that we come and announce and see that's what we think about it. It is a long-term plan. And I am sure you would be aware that for the last two years, we have been consciously calling out that there is going to be an addressable market expansion that Crompton is going to work and do it category after category. And some of these calls that we have taken is an outcome of that. As and when we enter new category, it is important that we continue to be a leader in the existing category and further push the bars.

So as Promeet said, we would not be able to comment on what competition has done, on where and what. We have a strategy on how we need to pursue and that is probably what we would be able to do and deliver.

Manjeet Buaria: Thanks for the detailed response, folks. I will come back to you later on a one-on-one meeting.

Moderator: Thanks. The next question is from Parag Khare. Parag, you may unmute your line. Go ahead, please.

Parag Khare: Good afternoon, sir. Thank you for the opportunity. Sir, just a question out of curiosity, we are the number one company in the world in Fans. How about thinking aggressively in terms of exporting these offerings and probably garner more market share outside India? So that's the first question.

And the second question is how confident we are in solar rooftop business where, outside Telangana and Andhra Pradesh, we would be able to scale up aggressively and probably gain strong foothold. So, these are two questions.

Promeet Ghosh: Parag, firstly, I agree with you. As the world's leading ceiling fans company, exports are an area of focus. I am very happy to announce to you that in the last quarter, we have demonstrated our focus on this area by hiring a very well experienced team on that segment. We have always had a team, but the idea is to take it to the next level. And to that extent, we have significantly strengthened our team in exports the last quarter itself. And sorry, what was the other question?

Parag Khare: The next question is the solar rooftop business.

Promeet Ghosh: So solar rooftop business is shaping up quite well. Currently, we are executing the orders that we have. But simultaneously, we are also trying to proceeding apace on the B2C offering. And I am hoping that in the near term, we will be able to formally disclose to you orders that we have got in that segment. I do want to say one more thing. I have reiterated the point that I had made earlier. In all our businesses, scale makes a difference. And what we are finding is that the way we have scaled up our solar business is already making a difference to our margins in both solar rooftop as well as in solar pumps. Material difference at the gross margin, because now we have the scale. I don't know if we are disclosing, but these are material improvements in the margin of these businesses, which also means that it positions us better to be able to provide a good product in the retail space.

Parag Khare: Okay. Sir, any new category or adjustments in the coming quarters or we are done?

Kaleeswaran A: We have given announcements around where we have entered, what we will do in the future, allow us to let us know close to the quarter. Thank you.

Promeet Ghosh: As you guys are aware, we do not make any announcements well in advance. And I think we have clearly been very transparent with you where we are close to launches and making those launches.

Parag Khare: Sure, sir. Good top line growth, good EBITDA margin. Congratulations and good luck for the future.

Promeet Ghosh: Thank you.

Moderator: The next question is from Renu. You may unmute your line and go ahead, please.

Renu: Hi, sir. This is Renu from IIFL. Couple of questions. In case if I missed it, can you mention how is the situation of channel inventory when it comes to fans, both with the company as well as with the channel partners on the new rating fans and the old rating with the channel partners?

Promeet Ghosh: I think it's fair to say that the channel had a fair amount of old star rated fans, some of which they have sold off in the last month. We, of course, being Crompton, from the day one started selling only the new star rated fans from the 1st January. And I do believe that the season so far has been shaping up decently.

Moderator: We move to the next question from the line of Pratham Setia. Pratham, you may unmute your line. Go ahead, please.

Pratham Setia: Thanks for the opportunity, sir. My question is related to the core business activity of the company, because we are the goods company. And now recently we entered the solar related business, solar pump as well as the solar rooftop. Nothing wrong in diversifying the business. But my question is, what are the strong reasons to enter the solar business? Naturally, your answer may be to make the profit. But does the company have the enough bandwidth to compete with the established player in the solar rooftop or solar pump business? And another reason is there may be a slow growth in the electric goods and that was the reason. Sir, kindly explain.

Promeet Ghosh: Thanks for the question, Pratham. We are very much great believers in doing things that we understand well. So far as solar pumps are concerned, remember that we have been a pumps company for the last 50 years. And we are also the leading residential pumps company in India. Heart of solar pumps is pumps. And as to whether we can compete in that business, I leave that to your judgment.

I have told you that we are continuing to grow our business at 100% plus every quarter. And we have quickly become one of the largest players in that segment already with a strong profitability profile. Similarly, for solar rooftops, this is, we believe, very much an adjacency for our business. And together with solar pumps, we have significant scale. Now, you may be aware that shortly after we entered that business, we also announced that we have order book of close to Rs.500 crores. So again, leave it to your judgment that whether you think that we can scale up that business or not. But we do see us being able to enter these businesses and not only make profits but build leadership positions. We are not interested in entering businesses in which we are not going to be leaders.

Pratham Setia: But our growth in the electric goods will remain the constant or will it grow faster?

Promeet Ghosh: So, you know, to give you a sense of the growth in our current businesses. Last year, our traditional businesses, which are pumps and fans, those businesses have suffered, not only us, but the entire segment has also suffered because of adverse season. But I am a great believer that these businesses will continue to be great profit and revenue growth drivers going forward. And even in this time, to give you a sense, in the fans business, we have been stepping up our BLDC range. And sequentially, I don't mind telling you that our BLDC range has grown materially 50% plus. Which means that we have also gained market share 5% plus. So, even in times where the season hasn't been the most supportive, we continue to find pockets of growth.

In our pumps business, for instance, we have now a full product range, including Agri and specialty pumps. And while that segment has been degrowing for the rest of the market, we are growing very strongly in that segment as well. So, short point is that we continue to strengthen our positions in our traditional areas as well as enter areas where we believe we have the right to win.

Moderator: Thanks. We will take a follow up from Praveen Sahay to go ahead with his question.

Praveen Sahay: Thank you for a follow up opportunity. Sir, my question is related to the solar rooftop. As there is a Rs.365 crore of order book, and also you had highlighted, it's not of a B2C, it's more of a B2B. So, can you give some more color, like it's a B2B or B2G one, and the second is a procurement strategy here, like you are procuring from a domestic manufacturer or importing, how you are doing this in this segment?

Promeet Ghosh: Guys, I explained this earlier. The order book that we started with in our solar rooftop business is not Rs.365 crores, it is Rs.500 crores. While this ordering has been with through the medium of the government, the product that we are selling is the same product that we are selling in the B2C business. There is a big difference here. When we do B2B in lighting, the product that we

sell in the B2B lighting is a very different business product than we sell in the B2C lighting. This is not that product. We are installing rooftops at homes in Andhra Pradesh in 38,000 homes in Andhra Pradesh. It is just that the government has intermediated in that order. And so far as the supply chain is concerned, this is a supply chain that we built up also while we were wrapping up our solar pumps business. So, we have an ongoing arrangement with panel suppliers, with inverter suppliers, with AC/DC suppliers, and so on and so forth. And as I said earlier, because we are buying products at such large scale in both our pumps and our solar business, that is leading us to be more and more competitive in both our solar rooftop as well as our pumps business.

Moderator: Thanks. The next question is from Aditya Vikram. You may go ahead with your question, please.

Aditya Vikram: One of the things I have been attending a lot of phone calls, your humility and how grounded you are is exceptional. So, compliments to you and your team. I hope this continues as it is.

So, if I can ask a question, and I probably won't fret about the new launches or anything else, I just see a lot of volatility in terms of your margins. If ideally somebody asked to look at the company, what should be the appropriate margin? And with you entering wires and cables, what should be the steady state of margin? What is the management looking at, is my question, sir. And I would appreciate if you cannot give a number but qualitative input as to where you're looking at and what should be the steady rate. Thank you. That's the only question.

Promeet Ghosh: Aditya, let me attempt it as best as I can and then I will hand it over to the guy who knows much better than I do. Namely Kalees.

Guys, when we look at margins, you can look at gross margins, and then you can look at EBIT margins. Now, we must understand that the gross margin and the EBIT margin structure of different businesses is different. If we look at a business-like fan, there is high gross margin, reasonable amount of cost below gross margin and you come to a certain EBIT margin. If you look at other products, for instance, B2B lighting, there is a lower gross margin but very little cost below gross margin and therefore you come to a certain EBIT margin. So, as the mix changes, the gross margin structure will change. So, that is a fact of life that we have to deal with.

Now, to answer the question about variability, our fans margin, for instance is impacted by, of course, season because at the end of the day, if the season doesn't perform as per expectations and the level of competition in the business goes up. And as a consequence, there can be an impact on margin. It also impacts a little bit on commodity prices. Insofar as we are concerned, the fans business, we have explained to you before, we are coming away from a period of intense competition. We are also coming away from a period where there are high commodity prices. Now, we have done various things to defray that. We have on one hand, being the leader that we are, taken price increases and on the other hand worked on the product. So, we are now being able to show to you an improvement in margins. Do we expect some of the benefits to continue.. Inshallah, yes, is what I would say. We will have to see.

Similarly, in lighting, the margins have historically been where they have been. What we have done is that we have done a whole bunch of work on two fronts. We changed our product mix, we introduced newer products which are higher margin. And, we worked on our supply chain. So, what you are seeing in lighting is the benefits of material improvement on both. We have been saying to you for a very long time that we are going to ramp up our ceiling lights business. What you are seeing is that we have ramped that up quite a bit, right? And of course, as we ramp up, as we do premiumization, the margins improve.

Again, similarly in Butterfly, we told you that we are going to get into premium products. We told you that there would be higher margin production. That is why you are seeing the benefits in the margin, right? Again, I can go on each of the businesses, but short point is we are continuing to work a pace on not only growing the business revenue growth, but also margin improvements. I am afraid I cannot give you a more detailed answer. You will appreciate. It should give you a sense of what we are up to. Last point I will tell you, we, for a long time, said we are leaders in residential pumps. We are by far and away the leader in residential pumps. We said we would get into Agri and specialty pumps. What you are seeing today is our Agri and specialty pump business growing significantly faster than the industry. Not only are you seeing it grow significantly faster than the industry, but it is also now a material share of our pumps business. I am not talking about solar. Solar is different. I am talking about Agri and specialty in our traditional pumps business. Not only it is a material part of our pumps business today, our margins in that product has also gone up because as we've got scale.

So, look, at the end of the day, the margin profile is going to evolve going forward. But these are underlying trends that people can read into our various products.

Aditya Vikram: You know, that's very helpful, Promeet. I appreciate you giving such a detailed answer. And best of luck for the new product launches. And I hope the margin trajectory and premiumization continues, as you have stated it out very loud. Appreciate each one of your times and best of luck for the future endeavors.

Moderator: Thank you. The next question is from Keshav Lahoti. Keshav, you may unmute your line. Go ahead, please.

Keshav Lahoti: So, my first question is, as we can see the solar rooftop business execution have started. So, this Rs.500 crore order, when it will be executed? And secondly, as it is a government order, will it lead to stretch on the working capital days?

Promeet Ghosh: The expectation, is that this order book will be executed over approximately the next 9 to 12 months. As I already said, this last quarter, we have already executed about Rs.19 crores of solar rooftop sales. Look, these are government orders, but we have a reasonable payment schedule that has been agreed with the government. So, we do believe that these are the working capital will be above expectations in this segment and the working capital has already been baked into our margins. This is not something that's new to us. We also have a large solar pumps business where we have been making reasonably quick recoveries of receivables from the government.

Of course, this is something that you must keep working at, but it's a muscle that we have learnt and are continuing to build.

Keshav Lahoti:

Got it. One last question from my side. What would be the total impact of BEE norm changes on fan side? What were the cost escalation and what is the commodity escalation happening? And as you highlighted, you have taken 1-1.5% hike and possibly more two hikes are in store in Q4 and Q1. So, what sort of hike you are planning in these two hikes and whether it will cover all the cost impact?

And secondly, your margin will be, you know, impacted till Q1 as the entire cost pass-on won't happen at least till Q1?

Kaleeswaran A:

Yeah, I think, Keshav, we talked about this earlier. This is not only going to be a price hike, there is going to be a cost improvement that we are working through UNNATI, coupled with mix also going to play a significant role.

Now, in terms of cost of BEE 2.0 is concerned, some of these things we are probably ready ahead of time. And we could mitigate a large part of the cost increase that needs to happen on account of BEE as compared to the industry and segment.

Yes, commodity is going up. That's the reality. But that's where we talked about baking in two price increases, one that has already happened after that one more in Q4 and one more in Q1. We think that should help us to largely offset coupled with the other cost initiators that we discussed.

Promeet Ghosh:

So, Keshav, a lot of people asked us about 9-12 months ago when we announced XTECH. This is what XTECH was about. Getting ready in advance for the BEE transition. Of course, also the next BEE transition, but certainly this transition. And I think it's fair to say that we are quite well prepared from a cost point of view for this BEE transition which happened earlier in January.

Umang Mehta:

Okay. Thank you, sir.

Moderator:

Thank you. I leave the floor to the management for any closing remarks.

Promeet Ghosh:

No, nothing more. Have fun, guys. And, have a good weekend. Thank you.

Moderator:

Thanks, everyone.