Electricals

May 16, 2025

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 Q4FY25 Earnings Conference Call' of Bajaj Electricals Limited ("Company")

Further to our letters dated May 5, 2025, and May 12, 2025, and pursuant to the provisions of Regulation 30 (read with clause 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 Q4FY25 Earnings Conference Call (i.e., Post Earnings/Quarterly Call), organized by PhillipCapital (India) Private Limited, on Monday, May 12, 2025, at 4:00 P.M. (IST) wherein, inter-alia, the annual audited financial results of the Company for the financial year ended March 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 Anant Dalvi
Digitally signed by Prashant Anant Dalvi
Date: 2025.05.16 17:15:18 +05'30'
Prashant Dalvi
Chief Compliance Officer and Company Secretary
(ICSI Membership No.: A51129)

Encl.: As above.

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“Bajaj Electricals Limited Q4 FY ‘2025 Earnings Conference Call”

May 12, 2025

MANAGEMENT: **MR. SHEKHAR BAJAJ – CHAIRMAN**
MR. SANJAY SACHDEVA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER
MR. E.C. PRASAD – CHIEF FINANCIAL OFFICER
MR. VISHAL CHADHA – CHIEF OPERATING OFFICER, CONSUMER PRODUCTS
MR. RAJESH NAIK – CHIEF OPERATING OFFICER, LIGHTING SOLUTIONS

MODERATOR: **MS. NATASHA JAIN – PHILLIPCAPITAL (INDIA) PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Bajaj Electricals Limited Q4 FY '25 Earnings Conference Call, hosted by Phillip Capital (India) Private Limited.

As a reminder, all participants' 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 "*" then "0" on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Natasha Jain. Thank you and over to you, ma'am.

Natasha Jain: Thank you, Avirat. And good afternoon, everyone. I, Natasha Jain, on behalf of PhillipCapital, welcome all of you to the 4th Quarter FY '25 Earnings Conference Call.

From the management today we have Mr. Shekhar Bajaj, Chairman; Mr. Sanjay Sachdeva – MD and CEO; Mr. E.C. Prasad – CFO; Mr. Vishal Chadha – COO, Consumer Products; and Mr. Rajesh Naik – COO, Lighting Solutions.

I now request the management to give their opening comments, post which we shall open the floor for Q&A. Thank you, and over to you, sir.

Shekhar Bajaj: Good evening, ladies and gentlemen. Shekhar Bajaj here. Thank you for attending our Q4 Earnings Call. We hope you had an opportunity to review our financial results and earnings presentation, which are available on the stock exchange.

First, I am extremely delighted to welcome Mr. Sanjay Sachdeva into Bajaj Electricals Limited as our new Managing Director and Chief Executive Officer. He graduated as an electrical engineer from IIT Delhi and later pursued his master's degree in management from the IIM Calcutta. He has joined us from Unilever, where he had extensive experience to scale and lead successfully the consumer business in India, China, Brazil, North Africa, Middle East, Russia and finally Japan.

Further, he has consistently driven profitable growth in highly competitive environments, successfully turning around businesses across geographies, delivering strong business result in volatile market conditions and strengthening talent and organizational capabilities. His global experience will be of immense value to Bajaj Electricals given our vision of continuing to grow in India while establishing a strong footprint globally. I am confident that with his experience, coupled with the strength of our people, brand and cultural values, we will continue to drive sustainable and profitable growth. I extend my best wishes, and I am confident that he will adapt swiftly and begin contributing meaningfully to our strategy and vision.

Like we have mentioned in the past, Vishal Chadha, our Chief Operating Officer for Consumer Products; and Rajesh Naik, our Chief Operating Officer for Lighting Solutions, are driving business growth and we remain committed to continuing to deliver better results.

On the macro front, headline inflation eased to 3.6% in February 2025, driven by a sharp decline in food prices. Further, as per RBI bulletin, recent tariff announcement by US Administration have heightened policy uncertainty, posing new headwinds for global growth and inflation. While India cannot remain immune to these developments, the progress achieved on the disinflation front gives headroom to monetary policies to focus on balancing the growth inflation outcome. The two consecutive RBI rate cuts will ensure liquidity for business in a time of uncertainty.

Coming to the financial performance:

It has been a strong performance in the 4th Quarter with healthy revenue and profit growth. The company has achieved revenue from operations of Rs. 1,265 crores, as against Rs. 1,188 crores, a healthy growth of 6.5% over the 4th Quarter of the previous year. The company's profit before tax has zoomed to Rs. 71 crores, which is an increase of 191%.

Consumer Products business has continued to show good momentum by delivering revenue growth of 8.4% on a year-to-year basis, even in a delayed summer. The EBIT has jumped to Rs. 39 crores from Rs. 16 crores, which is a jump of 138%. The EBIT margins have also improved by 210 basis point to 3.9%, owing to a significant increase in gross margins. I would like to congratulate Vishal Chadha and his team for this significant increase in gross margin and for the robust performance and look forward to continuation of this momentum over next year. While the Lighting Solutions business revenue remained flat, I am delighted to see a strong double-digit value growth in trade for Consumer Lighting.

I will now hand over to Sanjay Sachdeva for the initial address, and then to the CFO for detailed financial and operational highlights to Sanjay.

Sanjay Sachdeva: Thank you, Chairman, for the warm welcome and kind words. I am truly honored to join Bajaj Electricals as MD and CEO. I am equally delighted to connect with all of you for the first time since I joined the company.

As you know, Bajaj Electricals is a storied organization with a proud legacy and rich heritage, spanning over eight decades. It is built on the foundation of trust, innovation and its strong portfolio of trusted brands, deep rooted customer relationships and widespread distribution network are testaments to its enduring presence and impact across Indian households and industries alike. What particularly excites me is the company's unique ability to blend tradition with transformation, from pioneer advances in Consumer Products and Lighting Solutions to its agile approach in embracing digitalization or sustainability.

Having extensive experience to lead businesses successfully across the globe, during my tenure at Unilever, I do see immense potential and possibilities in bringing these together to Bajaj Electricals as we chart out our next phase. I am truly excited to be part of this iconic company and work alongside a team which I have already experienced to be talented, ambitious, and portray a spirit of excellence. Together with the strength of our people, the power of brand, and deep commitment to our values, I believe we can shape a bold, sustainable future, and create enduring values for customers, communities and all other stakeholders.

My initial four weeks at Bajaj has involved meetings with employees, associates, strategic partners, factories, R&D center and frontline teams. It reinforced my perception of the strength of the company, the brand, and the rich legacy. We have a talented, vibrant and energetic team throughout the company. This strong fundamental reassures me of the immense potential, as I said, that Bajaj holds as we move forward. It gives me confidence that the strategy, decade of Bajaj Electricals, is a winning strategy. This will unlock value and will continue to deliver strong results.

We are strengthening our distribution and product strategy through focused expansion, R&D investment and premiumization. As you know, initiatives like Project Vriddhi is driving scale and success across markets. We are also enhancing brand presence with digital engagement. We are also driving cost leadership with projects like Mulya or positioning a lightning solutions vertical as a key growth driver. With a strong organization culture, a well-defined strategy, and a committed team, I am confident that we are well positioned to shape a bold and future-ready Bajaj Electricals. The performance of the last two quarters is a testament of our capabilities.

With this, I now hand over to the CFO for detailed financial and operational highlights.

E.C. Prasad: Thank you, Sanjay. Thank you, Chairman. Good evening, ladies and gentlemen. And thank you for attending our earnings call. We hope you have had the opportunity to review our financial results and the earnings presentations which are available on the stock exchanges.

Coming to the overall performance:

At the onset let me reiterate that we had a good quarter with a healthy revenue and profit growth. We delivered a strong profit before tax of Rs. 71 crores as against Rs. 24 crores on a Y-on-Y basis, which translates into an upside of 191%. We have picked up momentum in the second-half of the year with our revenues growing 5.7% as against 2.2% in the first half of the year. We are confident that we will continue the momentum going forward.

On an annual basis, we delivered a profit before tax of Rs. 170 crores as against Rs. 173 crores last year. However, please note that last year we had a one-time gain of interest on income tax refund of Rs. 41 crores. And this year we have an exceptional net gain of Rs. 21 crores. By adjusting these one-time impacts, we delivered a profit before tax of Rs. 148 crores as against Rs. 132 crores, thereby resulting in a significant improvement of 12.4%, which is commendable.

Now coming to the Consumer Products:

The Consumer Products business registered a strong revenue growth of 8.4% on the back of a good demand for domestic appliances, followed by fans, and continued trade revival. Appliances continued to show strong traction and grew by double digits. Within appliances, domestic appliances have shown strong growth owing to categories like coolers, which showed high double-digit growth. Kitchen appliances, especially mixers, continue to remain under stress even at the industry level. But with the expected demand uptick, we are hopeful of better performance in the upcoming quarters. Morphy Richards continued to register high double-digit growth. Fan showed a low single digit growth.

Our CP EBIT margin has expanded to 3.9% as against 1.8% in the corresponding quarter of the previous year. The increase in margin issue is due to a strong expansion in gross margin of 3.6%, which has been partly offset by operating deleverage on account of higher depreciation of moulds for new products, and various other projects for improving our operational efficiencies. The brand investments were at 2.4%. Our transformation journey to address our product portfolio gaps, including premiumization of our portfolio is underway and is showing good traction. We continue to improve our logistics and manufacturing efficiencies by a few basis points.

In our continued effort to improve our GTM, we have created a BU structure for our fans business. This is to enhance our focus on this growing category, including the new launches in the premium segment. And this initiative is expected to yield results in the coming quarters. Over the next few quarters, our focus will be to increase top line and improve the market share while continuing to spend heavily on the brand and other initiatives like revamped GTM, VAVE, digitalization, manufacturing efficiencies, etc.

Now coming to the Lighting Solutions:

The Lighting Solutions business remained flat due to degrowth in Professional Lighting, which also had an impact on the operating leverage. Please note that even within Professional Lighting, there were some delays in order execution of urban local bodies that has resulted in the degrowth. Otherwise, all other areas in Professional Lighting also witnessed growth. Under our revamped GTM initiative, we have delivered a double-digit value growth in general trade for this quarter which was close to about 12% odd, which is probably the highest in the industry.

Professional Lighting contracted owing to a drop in outdoor luminaires. Our EBIT was at 7.8% as against 8.5% reported during the corresponding quarter of the previous year. The brand investments from this vertical will continue to be high for the next few quarters in our endeavor to increase our market share. Coming to Professional Lighting. The order book stays healthy at Rs. 248 crores. And we are committed to growing this business.

Coming to Balance Sheet and Financial Metrices:

The balance sheet of the company continues to remain very healthy and strong. All the balance sheet ratios continue to be at a very optimal level. We continue to generate positive cash flow from operations of Rs. 87 crores for the quarter. We ended the quarter with the surplus funds of Rs. 509 crores.

Now coming to the other strategic initiatives that we had highlighted in the last quarter:

With regards to our export strategy and with a view to expand company's international footprint and enhanced business opportunities in the Middle East and other untapped markets, the Board have already approved the incorporation of a wholly owned subsidiary of the company in UAE. The activity on this is on track and we will share updates with you as soon as possible, or as soon as it materializes.

Further, on the proposal to explore the possibilities, opportunities and feasibility of setting up the company's manufacturing unit at a suitable location in India, the company has already commenced the evaluation and exploratory work. We will again share the updates with you as soon as it materializes.

This is all from our side, and now we are happy to take the questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Aniruddha Joshi from ICICI Securities. Please go ahead.

Aniruddha Joshi: Yes, thanks for the opportunity. And really great set of numbers. So sir, two -three questions, first to Mr. Sachdeva. What are the top three priorities that you would be working on? Whether it will be branding or like earlier there was a strategy of Nirlep and Bajaj as one brand, Morphy Richards as one brand, and there was one more premium brand the company was also working on. So, whether the same strategy continues? In terms of distribution, what will be the challenges or changes you would like to bring in? Because Bajaj tried a lot with Mahindra Logistics also, so any plan on that? That is question number one.

Question number two is regarding Nashik VRS. Is it already over or it may continue in Q1, Q2 as well? And the last question, in terms of like this quarterly results, is there any change in ad spend? Because we see 100-bps drop in other expenditure or so, and even the number is lower on a Q-on-Q basis as well. So is there any reduction in terms of brand building efforts or so? Yes, that's it from my side.

Sanjay Sachdeva: Thank you. This is Sanjay. I will start answering and then I will ask EC to take the other two questions. So, as I said, the strategy decade of Bajaj Electricals is a winning one and it's showing results. I do not intend to change it, neither the strategy nor the priorities. Of course, there will be some tweaking, but it will not fundamentally change the direction of the company. So this will be Bajaj brand, Morphy Richards, and Nex. This will be all the priorities which have mentioned will continue, and we will drive growth through there. So fundamentally, things will stay the same.

E.C. Prasad: So Aniruddha, let me answer the last three questions. One you mentioned about logistics. Yes, logistics cost continues to be high for us, and we are working on it. We have achieved around 100 basis points reduction over the last one year or so. But having said that, there is a long way to go. And we are looking at it both internally, and if required even we will take external help to get the logistics cost to where it should be. That is as far as logistics is concerned.

Coming to VRS:

The VRS in Nashik is over. Out of the 117 workers, 115 workers opted for the VRS so that is done with. As far as the other overheads is concerned, the brand spend continues to be the same as last year. So last year was around 2.5% and this year it's about 2.4%. But the overall reduction that you see is because of the operating leverage, because the total other overheads remain the same at Rs. 205 crores. Last quarter was Rs. 205 crores, last year Q4 was Rs. 205 crores, and this year Q4 is also Rs. 205 crores. Because we have been able to contain a lot of unproductive spends, etc.

And because of the operating leverage kicking in, we have gained that 1% in the other overheads.

Aniruddha Joshi: Okay, understood. This is very helpful. Last question, the MFI issue that we were facing in terms of distribution, so is that resolved or now it is already in the base now?

E.C. Prasad: So, Aniruddha, that continues. I mean, we still have an issue on the MFI front, MFIs have still not started going on full steam as it was earlier.

Aniruddha Joshi: Okay. And any expected timelines to see any resolution or something?

E.C. Prasad: Not really, Aniruddha. So RBI eases the limitations that they had put on the MFIs, I do not think that demand is going to come back quickly.

Aniruddha Joshi: Okay, okay. And this will adversely impact in June quarter or it's already done, is the issue already in the days also?

E.C. Prasad: No, I did not get that, Aniruddha.

Aniruddha Joshi: No, see, like we are facing the problem since past four quarters already the numbers are in ….

E.C. Prasad: No, no, we faced this the entire year of last year. And even in Q1 we are facing the same issue.

Aniruddha Joshi: Okay, sure. Understood. Thanks a lot.

E.C. Prasad: Thank you, Aniruddha.

Sanjay Sachdeva: Thank you.

Moderator: Thank you. The next question is from the line of Keshav Lahoti from HDFC Securities. Please go ahead.

Keshav Lahoti: Hi. Thank you for the opportunity. Sir, congratulations on a good set of margin. Sir, quickly on Consumer Lighting, we are seeing a healthy set of margin. So should we expect this margin to continue going forward? Secondly, this quarter the revenue growth has been flat for this segment, should we expect now upcoming quarter we will see growth in this segment?

Rajesh Naik: Yes. This is Rajesh. If you remember, we have been discussing about product mix being changed so that we can drive margins, so the price erosion was there. So we continuously improve our first level margins with the product mix, and which has helped us to improve that by almost 2.5% (overall) in the FLM itself, which will continue, and we are driving the top categories or the product mix where higher margin products are being sold. So that should continue.

Keshav Lahoti: Understood. How much was the ad spend as a percentage of sales in this year? And what is the expected spend for next year?

E.C. Prasad: For the full year?

Keshav Lahoti: Yes. For the full year and how you are forecasting for next year? You have highlighted there is strong focus on brand investment.

E.C. Prasad: Yes, full year is around 3% for the year. And next year, we plan to take it up so somewhere would be in about 3.5% to 4%.

Keshav Lahoti: Okay. And this would be on which business side, all across or specific for any segment, the higher one?

E.C. Prasad: No, this is really throughout.

Keshav Lahoti: Okay. Thank you. That's it.

Moderator: Thank you. The next question is from the line of Praveen Sahay from PL Capital. Please go ahead.

Praveen Sahay: Yes. Thank you for the opportunity. My first question is related to the channel mix from the past few quarters. We are giving an alternate channel growth numbers, and definitely that's export or government, even the modern format retail are doing very well. So if you can give some color on how is the alternate channel contribution right now for you? And where you want to see this channel contribution in the way forward?

E.C. Prasad: So yes, alternate channel is about somewhere between 40% to 45% and the trade contributes the balance. As far as the growth goes, I think E-com growth during the year has not that been great. Whereas we continued to do well in the MFR. And last year trade was a problem for us, but this year trade has actually bounced back and trade is showing good growth.

Praveen Sahay: So this mix you expect it to continue like 45%, 55% alternate versus GT to continue for the company?

E.C. Prasad: Yes, it will be somewhere in the range of 60:40 to 55:45.

Praveen Sahay: Fine, sir. The next question is related to the gross margin, and in the note you had mentioned that that's because of price hike and the initiatives, VAVE initiative, the value initiative and the value engineering. So if you can give some more color on that, your 280 basis points improvement in the gross margin. How much is coming from the price hike and in the CP and the Lighting where you had taken the price hikes?

E.C. Prasad: So Praveen, I would not like to comment on that because it's actually very confidential. But the assurance that I want to give you is that we continue to work on the VAVE projects, a lot of VAVE initiatives have been identified and you will see the margin improving continuously. So, going ahead also you can expect about 2% to 3% savings coming from VAVE, and also about 2% to 3% coming from the price hikes.

Praveen Sahay: Okay. Fine, sir. And the question related to your one-off, there is a sale of land you booked around Rs. 30-odd crores. So is that over or something also you are expecting the way forward?

E.C. Prasad: No, nothing as of now. So if there is something we will let you know.

Praveen Sahay: Right, sir. And lastly on the Lighting, sir. Lighting you had Consumer Lighting around single digit or double digit in the growth in the GT of Consumer Lighting, so is it possible to give some color on how much is the volume-led growth versus pricing?

Rajesh Naik: So just to give your input, we have been discussing, you must have seen that we have been discussing about volume growth, which is coming in, and the value growth was not there. But this quarter we were able to drive both, volume as well as value growth, which is the positive sign, and we will continue to drive that.

Praveen Sahay: Is it fair to assume that whatever the price erosion was there in the Consumer Lighting that is over?

Rajesh Naik: We have been discussing this for the last two quarters, in Lamps as well as Battens category. In the two categories it is almost at the bottom, but there is one particular category which is Ceiling Lights where it will still continue for next one or two quarters. So the price erosion impact will be there for a few quarters.

Praveen Sahay: Okay, sir. Okay. Got it. And if you can give any color on the CAPEX for this year would be helpful. Thank you, sir. And that's the last question.

E.C. Prasad: So yes, the normal CAPEX will be close to about Rs. 100-odd crores. But as you would have seen in the last, I mean, the budget board meeting we had said that we are also evaluating a factory for which a principal approval of about Rs. 300 crores have been taken. So if that materializes, the CAPEX would be in the range of Rs. 400 - Rs. 450 crores.

Praveen Sahay: Thank you, sir, and all the best.

Moderator: Thank you. The next question is from the line of Natasha Jain from PhillipCapital. Please go ahead.

Natasha Jain: Yes. Sir, I have three questions, first is in terms of depreciation. The depreciation has considerably increased on a Y-o-Y basis, but CAPEX has halved in terms of the cash flow statement. So what has happened here really if you can explain?

E.C. Prasad: So Natasha, in last year, although we spent about Rs. 130 crores, most of the CAPEX was in the CWIP - capital work in progress, because it was not used for production. So, this year it has all come into the CAPEX because we started making products out of these moulds, and hence the depreciation for the year is very high.

Natasha Jain: Understood, sir. Sir, my second question is in terms of channel inventory. Now if I see the season has not been encouraging and secondary sales are slow for all cooling products. Having said that, how do you see 1st Quarter panning out, especially do you think that inventory will still continue to be high in the channel and therefore no pricing advantage?

Vishal Chadha: Firstly, I would want to give flavor of the full quarter. Hi, this is Vishal here. I mean, it's early into the quarter so I cannot really predict or comment on how the quarter is going to proceed going forward. And from our point of view, looking at the tertiary offtakes and how the offtakes happen over a period of time, we calibrate our business and our sales into the channel accordingly. So we do not see any different from what we have been doing in the past so far.

Natasha Jain: Thank you, sir. Sir, my last question is for Mr. Sanjay Sachdeva. Now, if you see the consumer durable industry, it has been marked with very heightened competition. And because of heightened competition, the price hike has not happened in this industry for a long time now. I mean, even the premiumization or the BLDC price has not been passed on to the channel. The industry is only moving towards premiumization with non-premium products not really picking up. So given this background, how do you read this industry as in what are your broader level strategies to navigate further? Thank you.

Sanjay Sachdeva: So first of all, I do believe that premiumization is picking up. And I also do believe that price increases have been, to some extent, the norm. We have also taken the price increases this last year. And as EC was saying, there will be maybe another price increase this year. So there will be therefore both premiumization and price increases to mitigate inflation will be there. Yes, of course, we will not pass on entire raw material inflation to consumers, partly we will absorb through savings. But there will be some level of price hike.

Not to forget, except for maybe fans where penetrations are pretty high, most of the category penetrations are low. And therefore, building category penetrations can be a big driver of growth. Replacement market is also pretty large. So therefore, I can see many drivers, not only premiumization and price increase, but also increasing the penetration and therefore the overall market size. And then there are always the new categories of products which, whether it is let's say coolers now or whether it is grooming. So across there will be many categories which will be taking off. So, there are multiple drivers as I said, and we do see therefore a huge potential of FMEG categories.

Natasha Jain: Sure, sir. That's helpful. Thank you so much.

Moderator: Thank you. The next question is from the line of Dhruv Jain from Ambit Capital. Please go ahead.

Dhruv Jain: Thanks for the opportunity, sir. I have a question on the gross margin. So we have seen some changes of gross margins quarter-on-quarter. How should we think about gross margin going forward, is there any target that you would like to spell out? Or what are the levers you are buying apart from cost savings in terms of gross margin? And if you could also spell out what's your premium share really transpiring as a percentage of overall sales? And is there any target that you would want to give out going forward in the next two or three years?

E.C. Prasad: So, Dhruv, yes, you are right. So few of the levers through which we will be targeting the gross margin, one obviously is the VAVE excise that we are doing, and that will continue. Secondly, the price increases that Sanjay also mentioned of and third is the premiumization. So actually we are far behind the premiumization curve. Actually if you look at the industry, our aim is to reach the industry standards in the next couple of years. So, all of these will trigger improvement in the gross margins.

Dhruv Jain: Any targets that you would like to give out?

E.C. Prasad: As far as the gross margin is concerned, no, no targets please.

Dhruv Jain: Okay. Sir, I had a question on the Lighting side. So, I mean, obviously we have seen that for the entire industry, but specifically how should we think about growth going forward there? So when you see this full realization issue sort of bottoming out? And what is the kind of growth that we should expect going forward, say, in the next three years for Bajaj Electrical in the Lighting vertical?

Rajesh Naik: This is Rajesh again. I will not be able to give the exact number what growth we are targeting. But one positive side, as I mentioned earlier, there are two categories in Consumer Lighting which has bottomed almost, and only one category which is undergoing price erosion. So I think in next one or two quarters that will also bottom out. And as we have seen in Project Vriddhi, our reach has increased, the top line has increased, and our overall volumes have almost increased by double digit, which gives us confidence that coming quarters we will continue that journey. Once that MFI thing goes away in terms of another two quarters MFI impact will be there what we were indicating a little while back. If that goes then we can see the good strong growth into Consumer Lighting. Talking about Professional Lighting, sorry, you were saying something?

Dhruv Jain: No. So another question is on Professional Lighting only, so on Professional Lighting you spelt out you have an order book of about Rs. 450 crores, right, so what's the execution timeline there?

Rajesh Naik: So he mentioned about Rs. 240 crores is the order intake which is an unexecuted order book. The good part is that, the same time when we exited last year it was almost half. So when we say that it is delayed execution of orders, because there were clearance which happened. Which means that we have good order book and coming this particular next few quarters we should be having a good growth in Professional Lighting as well. May not be in this quarter specifically but because it is delayed we are getting clearances in this month and next month, so maybe quarter two we should be having a better quarter.

Dhruv Jain: Sure. Sir, I had a question on the alternative channel. So you spelled out that alternative channels will be probably between 40%-45%. So I just wanted to understand if there is any difference in the profitability versus general trade that you can spell out?

E.C. Prasad: Dhruv, generally no. So, as we had mentioned earlier also, we do not differentiate the prices on the alternate channel vis-à-vis the trade. So we maintain our pricing. So for us, I mean, even if there is a difference, there is I mean a very small element, but otherwise we do not see a much difference between trade and alternate channel.

Dhruv Jain: And sir my last question is that, you had launched the Nex brand last year if I am not wrong. So just wanted to understand what's the contribution of that in your overall mix? And how's that shaped out?

Vishal Chadha: This is Vishal here again. On the Nex brand, it's going a little slower than what we had anticipated, but it's still on the upward trajectory. And we have expanded the portfolio by launching coolers under that brand also, earlier we only had fans that we talked about it in the last quarter also, we have just launched coolers into that. Furthermore, Nex is a brand when we did consumer research, it came out very clearly that the endorsement of the mother brand as Bajaj would be something the consumers would find more reassuring. So in that communication, we are now calling it Nex as a Bajaj brand. And it's growing in line, a little slower than our expectation, but it's still growing very well. And we are in this journey in the long run. We are not looking at it short term, it's still a young brand compared to a brand like Bajaj which is 80 years old. So we have a long runway for it and we continue to invest behind it disproportionately.

Dhruv Jain: Thank you so much. These were my questions. And all the best.

Moderator: Thank you. The next question is from the line of Naitik from NV Alpha Fund. Please go ahead.

Naitik: Hi sir. Thanks for the opportunity. Sir my first question is, what sort of growth are we envisaging in the consumer appliances business? And if you could specify which categories are you thinking will lead this growth for us?

E.C. Prasad: So Naitik, very difficult to answer, because hypothetically, you never know which way the market is going, but our aim is to better market growth. And you would have seen, I mean, in Q1 also we were aiming for good growth, but then the war like situation with Pakistan had an impact, especially in the North zone. And I do not know how long the market is going to get closed. So you never know, but our aim is to ensure that we grow better than the industry.

Naitik: Right. And sir, with that do we also expect the margins in the segment to sort of reach 5% or 6% or how are we looking at this?

E.C. Prasad: So yes, we have aspirations, I think we have already given a guidance that would like to be a double-digit EBIT business in the next three years or so. And in the current year we will be targeting somewhere around 6%.

Naitik: Okay. Sir my next question is, in terms of CAPEX we have taken board approval, and if we go ahead with the plan, Rs. 300 crores, that would be for which product line, sir?

E.C. Prasad: All across, all the product lines.

Naitik: Right. Okay. That's it, sir. Thank you.

Moderator: Thank you. The next question is from the line of Praveen Sahay from PL Capital. Please go ahead.

Praveen Sahay: Yes. Thank you for the follow up questions. Sir first is the related to the balance sheet, and in the balance sheet there is one line item that is the investment in the JV and that's related to the Employee Welfare Trust. So Employee Welfare Trust is a joint venture investment? If you can explain, why is it so? Or is it a norm?

E.C. Prasad: Yes, so this welfare fund was established long back in 1981. And if you remember, we had a demerger which happened with Bajel a couple of years back. So at that point in time we were not quite sure under what ratio this entire welfare fund asset has to be divided. But now after that thing has settled down, we have decided that the trust would also be bifurcated in the ratio of 67% to 33%, which was the net worth ratio of the Bajel and BEL at that point in time. And since you have decided that, we also had now have the number of trustees in the same ratio, and that is why what led to this disclosure and asset pickup in this quarter, and it is a joint controlled.

Praveen Sahay: Okay. Got it, sir. The second question is related to the consultancy fee, is that over or still it's going on?

E.C. Prasad: So Praveen, a lot of the initiatives are still going on. For example, the VAVE it's going to continue. We are having our GTM exercise, which is continuing. Lot of the things relating to the new initiatives like setup of subsidiary in Ras Al-Khaimah, UAE. So yes, you will these expenses continuing for at least a couple of years now.

Praveen Sahay: Right sir. And one follow-up for the Lighting. Professional Lighting, there is a degrowth, so what led to that degrowth in the Professional Lighting? Is that some project we had delay or something? What exactly it is?

Rajesh Naik: Yes. So Rajesh again. I just mentioned some time back; we had good order book. If you see our order book, as the CFO mentioned, it is almost double than last year. We had orders in hand a lot before because of the clearances which we did not receive from the end client and which we are receiving now in this quarter.

Praveen Sahay: Okay. Got it, sir. Thank you. Thanks a lot.

Moderator: The next question is from the line of Natasha Jain from PhillipCapital. Please go ahead.

Natasha Jain: Yes. Thank you for the follow-up, sir. Just two questions. One, can you call out the EPR amount you have taken this quarter versus last year same quarter, and FY ‘25 and FY ‘24 also?

E.C. Prasad: So EPR for this year is about. Rs. 9.5 crores and last year also was similar. Going forward next year it will be a charge of about Rs. 18 crores.

Natasha Jain: So why double, any specific reason or we are just correcting?

E.C. Prasad: No, Natasha, it depends on what we sold seven years back. So yes, that's how it is.

Natasha Jain: Got it. And in terms of consulting fees, sir, what is the hit that we take in our P&L every quarter?

E.C. Prasad: Natasha, I do not often remember it, so I will get back to you when we meet.

Natasha Jain: Sure, sir. Sure. Thank you, sir.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to the management for closing comments.

Shekhar Bajaj: Shekhar Bajaj here again. Most of your questions have been answered. I hope you are very happy with the performance. At least all of us are very positive in terms of looking at the future. Let's hope this world situation gets over and the market again picks up. But we are still hoping that we should continue to improve our bottom line, our profitability and our margins as was mentioned by EC, that our margins should go up every year so that we should come to the level of double digit in next three to four years is our objective, our EBIT must go to kind of – So that's it. So thank you very much all of you for participating. And we will meet next quarter. Thank you.

Moderator: Thank you so much. On behalf of Phillip Capital (India) Private Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.