



Crompton Greaves Consumer Electricals Limited

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Date: November 12, 2025

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
ISIN: INE299U01018	ISIN: INE299U01018
Our Reference: 117/2025-26	Our Reference: 117/2025-26

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 October 24, 2025 and November 6, 2025 regarding the Earnings Call on the Unaudited Financial Results for the quarter and half year ended September 30, 2025, held on November 06, 2025, 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
Q2 FY26 Investor Conference Call
November 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 AND PUMPS
 MR. SHALEEN NAYAK – BUSINESS UNIT HEAD – LIGHTING AND SOLAR ROOFTOPS
 MS. NATASHA KEDIA – HEAD – INVESTOR RELATIONS AND CORPORATE COMMUNICATIONS

HOST ANALYST: **UMANG MEHTA – KOTAK SECURITIES LIMITED**

Umang Mehta:

Hi, everyone. On behalf of Kotak Securities, we welcome you all to Q2 FY26 Earnings Conference call of Crompton Greaves Consumer Electricals Limited. We have with us today, the management represented by Mr. Promeet Ghosh – Managing Director and 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 and Pumps), Mr. Shaleen Nayak – Business Unit Head (Lighting and Solar Rooftops), Ms. Natasha Kedia – Head of Investor Relations and Corporate Communications.

Now, I hand over the call to management for their opening remarks and post that we will open the floor for Q&A. Thanks, sir, and over to you.

Promeet Ghosh:

Good evening, everyone. Welcome to the Earnings Call for Q2 FY26 of Crompton. And to begin with, I want to thank Kotak for hosting this call and as you already know, Kalees, Shaleen, Rajat, Swetha, and Natasha are joining me today.

To begin with, I want to say that I am delighted to announce that Euromonitor International has certified Crompton as the World's #1 Ceiling Fan Company. This is, of course, a reiteration of the leadership position that we have, not only in India but, now across the world. It is very gratifying that we have been so validated by an international firm. Needless to say, this has many implications in terms of the scale of operations that Crompton has in ceiling fans. But that is something that we can discuss as we go along.

Firstly, now, let me get into the business itself. Many of you have seen that in the recent months, you have seen the step-up in our solar business. Initially, it was in the solar pumps business. Now, solar rooftops are also joining the party. Since we announced our entry into solar rooftops a few months ago, there has been a flurry of activities. We are rapidly scaling up our presence. We recently secured our first solar rooftop order, which was Rs. 52 Cr. Now, that was followed by a landmark order of Rs. 445 Cr. In aggregate, the solar rooftop business has already secured about Rs. 500 Cr., about 50,000 units in the course of just a month or so. This, we believe, sets us off to a flying start in the solar rooftop business and positions us extremely well in the retail solar business also. This is something that, I think, you will see in the months and years to come.

In the meantime, our solar pumps business has also been growing very fast. Again, a business which is growing on the strength of the Crompton brand, because farmers across the country are choosing Crompton solar pumps, which has resulted in our rapidly gaining a market share now, which was about 6% to 8% nationally, all within the space of about two years. This is a business that, as you are aware, we have been growing at 100%+ YoY. These are two businesses that we are very excited about. We can talk about this at some length going forward. But we do expect that the solar business, with its strong profitability, strong retail connects, and strong return on capital, will likely become possibly the second largest business for Crompton within the next 1-2 years. So, lots of potential there.

Both, solar pumps and rooftops are high ticket opportunities, along with our core categories. They deliver, as I already said, strong unit economics, have great capital efficiency, and high return ratios. Most importantly, they leverage off the core strengths of Crompton, which is the Crompton brand, which is something that consumers have great faith in. This is particularly important because in solar business, to give you a sense, the amount of money that a family may spend on solar, let us say if you set up a 3kW unit solar rooftop, you spend maybe Rs. 2 lakh - Rs. 2.5 lakhs. That is more than all the products that Crompton currently sells into the home. So, if you put pumps and mixer grinders, Butterfly, chimneys, kitchen products, all of them, if you put together, they will probably add up to an expenditure of Rs. 1 lakh - Rs. 1.5 lakhs. This is a huge opportunity, and people are asking for our products by name. So, it is something that we are quite excited about. And it, of course, also leverages off the extensive distribution network that we have, and the very effective sales service network that we have.

Now, to come back to our other core businesses, before I get into reviewing the numbers, let me say Crompton 2.0 is continuing apace. We have renewed our focus on consumer centricity. Particularly in this situation, we have, in the previous quarter, completed a very extensive U&A study i.e. usage and attitude study. As a consumer company, as you might imagine, this is critical to how we are evolving as a company. This has also meant a considerable amount of expense. But this, to give you a sense of how extensive this U&A study was, 17,000 consumers were interviewed across the various products that we manufacture and sell, their detailed views about what they think of our brand, what they think of other brands, what they particularly take into consideration in buying various products is something that this study is thrown up. I have to say, very insightful for us. And I think what you will see in the months and quarters to come, you will see us hopefully translating this into the premiumization roadmap into the product, consumer centricity roadmap of each one of our products.

Our GTM revamp, again, a large transformation project that we have undertaken, which I have referred to, I think, from time-to-time, is also progressing well. We have a global consultant working with us. We have particularly co-created city level execution plans with field teams to run targeted pilots, alongside with a very dedicated rural acceleration program. The pilot focus is selling more in existing regions, range selling and premiumization. Early results are encouraging. We expect to see meaningful progress in our GTM plan also over the next 18 months to 20 months, and we expect that this will further strengthen our distribution as well as penetration.

Diving into our Q2 FY26 results. Revenue performance has been steady, underpinned by a 3% YoY growth in underlying volumes. We have remained steadfast in being able to not only hold, but gain market share across various categories, despite difficult market conditions.

Particularly, as you are aware, weather conditions have not been favorable. This has led, over a period, to a stocking up with the entire channel, which frequently does lead to not only impacting one product, but a few other products are also impacted because of this.

ECD has witnessed encouraging momentum across categories with market share gains. YoY, margins have been impacted, particularly in the LDA and the TPW segment because of adverse market conditions. There is also the impact of commodity price movements, which as you must be aware is something that has afflicted several players in the segment. We have already started taking pricing actions to address some of these. In fact, we were the first company in ceiling fans to announce an increase in prices, which came into effect about 24th of last month. So, we are taking the lead, as always, in pricing action, and we believe that the rest of the industry, which has also been impacted by commodity price increases, will also follow.

Our BLDC fans now is coming off the launch on the Nucleus platform, which I spoke about maybe 6-9 months ago. This led to the launch of fully indigenously developed BLDC products into the market, Niteo and Nucleoid. They have been very well received by the market. Our BLDC products in this segment have been growing at very strong double-digit numbers, 50%+ numbers. And we expect this momentum to continue and indeed strengthen as we go forward with further product introductions in the BLDC segment.

Our pumps business delivered a mid-teens growth, supported by solar orders of about Rs. 92 Cr. that came in last quarter. SDA has continued to grow in strong double-digits. Our kitchen business, which combines Butterfly, our SDA business, and our large kitchen appliance business, as I have said before, is the second largest kitchen business in the country and in that business, we are growing at double-digit growth, which on that scale, I do not think any of our competitors comes anywhere near competing.

On Butterfly itself, this was a standout quarter. Revenue growth, now this is something that you guys would have seen already, revenue has grown 13.6%, driven by strong channel execution and new product launches. EBITDA in Butterfly has grown at 21%. Growth in Crompton kitchen is comparable, in fact, a little bit better. So, you can see how the kitchen business at Crompton is doing.

Further, lighting has demonstrated strong performance in both top line, which is about 3.1% YoY growth; and EBIT, which grew at 50% YoY. EBIT margins in lighting, which came in at 15.5%, expanded by 480 bps YoY.

Now with that, I hope, you have had the time to look through the investor presentations that we have put out. One last point, I want to also flag to all of you. Results this quarter also have an exceptional item. For the first time, we are calling out an exceptional item, largely because of the single quantum that was spent on it. As you know, and if you do not, I am happy to elaborate, we have been embarking on a transformation of various parts of the organization.

One part of this transformation has been the restructuring of our Baroda operations. Now, in the last quarter, we incurred a cost of about Rs. 20 Cr. in restructuring the Goa operations. Apart from the restructuring, there has been a big change in the way that the Baroda operation has evolved as a consequence. This is also an operation which started earlier being a lighting business. This is a legacy lighting products company. Over the last few quarters, it has changed

dramatically. It is now not only a lighting manufacturing unit, it is a fan manufacturing unit, it is an LKA manufacturing unit, and soon to be also a manufacturing unit for a part of our solar rooftop business. In addition to this, this is also the location where we have set up a significant testing facility. So, that is just to give you a small glimpse of how the transformation, which is a part of Crompton 2.0, is evolving. And you, of course, heard of some of the other things that we can talk about, which is the U&A study and the GTM process. With that, I will pause, and we will take questions.

Umang Mehta:

Sure. Thank you, sir. We will open the floor for Q&A. The first question comes from the line of Aditya Bhartia.

Promeet Ghosh:

Hi, Aditya.

Aditya Bhartia:

Hi. Good evening. My first question is on the ECD margins. While you kind of elaborated on it a bit, but the margin drop has been quite sharp and sudden and which is why I wanted to understand, is it largely only in the fans category and SDA category wherein we are seeing this margin erosion?

Solar pumps and rooftop, I do not think we will be having too much of revenues at this stage. But those are okay in terms of margins. And on the fans side, when do you expect these margins to be coming back with the pricing actions that have been taken? And is there a competition angle also attached to it?

Promeet Ghosh:

Actually, I do not know how you kind of concluded that the margin drop is attributable to fans and SDA. Like what I mentioned was that the margin drop is a consequence of, one, the commodity price increases in our ECD businesses. Secondly, it is attributable to the TPW and the LDA businesses. Now, as you are aware, the LDA business comprises our air coolers business, as well as our water heaters business and the TPW business. Now both are significantly impacted by seasonality. And while the channel had purchased, had stocked up some, that is impacted their ability to come back and purchase more. And I think there has been a considerable amount of competitor activity in these products. So, yes, we do expect that the price increases that we are taking will help.

To a smaller extent in fans as we go into BEE transition, which is 1st of January, we have also been, obviously, going into the last quarter, it is important that we are well prepared with our inventories in the Q3 FY26, because there is a cliff on the 1st of January. So, some of that has also obviously been acted upon. That, this is until the 1st of this quarter. But it is important to start working in advance and we have already started doing that. So those are, I think, the factors which have gone into substantially explain the margin in this quarter.

There is another element here. We have significantly stepped up our investments also in transformation, which are currently not, obviously, giving the returns that come along with these investments itself. So, for instance, we would have started spending money in GTM ahead of the impact that it has on sales, we have started spending you can imagine. These are only ones

that I am putting out there. We have also stepped up our investments in digital. Again, these are investments that you make first in various capital expenditures or whatever, expenditures that you incur in transforming your operations. So, it is above the gross margin level. I told you what the reasons are. Below the gross margin level, there is the transformation expenses that we have stepped up.

Now, for the first time, because there was a combined expenditure last quarter of about Rs. 20 Cr., we are also calling that out separately. But even outside of the restructuring expenses, there are other expenses which we have incurred last quarter. These are all, I think, very important for us because they will contribute, we think, to making Crompton 2.0 happen.

Aditya Bhartia:

Sure. One thing that is a little surprising is that there have been times when we have seen sharp RM inflation, but I cannot remember any time when we saw margins as low as what we are seeing in the ECD vertical. And which is why, I wanted to ask what exactly has been playing out and by when should we be expecting these margins to be recovering? The segment used to have high teens kind of margins. What should we now start expecting as sustainable margins for this segment as well?

Kaleeswaran A:

So, Aditya, if you look at it, Promeet walked you through on the comparative to previous year which is, why is the reason this is a combination of our seasonal categories not bringing in the revenue, which is on a higher gross margin. So, mix on that has got adverse.

Sequentially, if you look at Q1 FY26 till now, it is largely due to operating leverage. Q1 FY26 is a large seasonal quarter, and we do not have that scale. That is the reason for it coming down. Now, looking at from a forward perspective, what are we doing to get the margin restored, as you would know that we did this just recently on ECD when we restored the margin back to its mid-teens level. That is our intrinsic margin and that is a portion that we want to move. This quarter, we talked about the reasons. As we move forward, a price increase has been communicated for November. There will be a few more initiatives towards that will be taken as we move forward. Unnati is getting accelerated. So, we will look at further cost saving that needs to come in.

Some of the benefits that we have seen on ceiling fans, on cost initiatives, we may now start moving towards table, pedestal, and wall fans also. Coupled with that, there is also a mix that should help us positively on the premium side. Those are the initiatives that we are looking at. I would continue to say that from an industry perspective, when we look at it, yes, there has been a margin pressure across the industry, but we continue to lead on margin as we speak, and we are confident to restore it as we move forward with the actions that we talked about.

Promeet Ghosh:

See, you do not ask us to give you specific guidance. But I will just give you another indication. The last time I was asked these questions was in March'24, right?

Kaleeswaran A.:

Yes, that is right.

Promeet Ghosh: March'24, where margins had impacted. And you know the trajectory of margins. So do not ask us to give you forward guidance, but we do believe that there are factors which have gone into the margin, particularly the unseasonal impact on LDA and TPW, because of which we have seen what we have seen. And we are taking the lead in addressing this, and we are the first company in fans to take a price increase.

Aditya Bhartia: Sure, sure. Thank you so much.

Umang Mehta: The next question is from the line of Siddhartha Bera.

Siddhartha Bera: Yes. Thanks for the opportunity. Sir, my first question is on this price hike which you indicated in the fan's portfolio. So, is it possible to highlight the quantum, how much has been taken, and is it for the entire portfolio? Because we have seen like about 80 bps sequential gross margin drop in this quarter. So just wanted to understand, is it good enough to offset this drop?

And second is, at a portfolio level, you have talked about solar being Rs. 2,000 Cr. type of revenue in two years. How should we think about the profitability of this portfolio? Will it be at par with the ECD sort of margins which we have? Or how should we think about this as a margin over a period?

Promeet Ghosh: Sure. Let me answer both those questions. We have taken a price increase of about 1.4% in our fans business. That is what we have started with. I think, you will see what happens as we go along. So hopefully that addresses the first part of your question. I do not think we are able to particularly take price increases in the LDA business just yet, to be clear.

Insofar as the margin and the return profile of our solar business is concerned, the solar business has a very similar margin profile to the rest of the company in terms of the EBIT margins. To be clear, this business does not work the way that the other businesses work. This is a business in which much of the gross margin flows through directly to the EBIT. So, the margin profile of the company is very similar to the margin profile of the solar business. It is, at that same time, a very high ROCE business. Especially, the rooftop business where much of the payment comes in pretty much with the installation. Now, I do not need to get into what this thing is, I have talked to you about that before. If you want, I will get into it. But this is a high growth business, a high ROCE business. This is going to grow, supplement our core businesses where, as I said, we are gaining share in fans, we are significantly ramping up our BLDC position, and in pumps also we have gained share. That leaves our SDA business, which is growing in strong double-digit and, like I said, is the fastest growing kitchen business in the country.

Siddhartha Bera: Got it, sir.

Siddhartha Bera: So, sir, I just had a follow-up on this solar pump. You indicated a strong order pipeline. Is it possible to highlight the quantum? We had talked about this in the last quarter also. So, this quarter also, if you can just highlight the quantum of the order pipeline, it will be helpful.

Rajat Chopra: Rs. 255 Cr.

Promeet Ghosh: The current order pipeline is Rs. 255 Cr, as we speak.

Siddhartha Bera: Okay. Great, sir. Thanks a lot.

Promeet Ghosh: One sec. Just so we are clear, that is the unexecuted order.

Siddhartha Bera: Yes. Yes, okay.

Promeet Ghosh: I mean, again, not to get into numbers, that is growing at 100%+ YoY.

Siddhartha Bera: Got it, sir. Thanks a lot. I will come back in the queue.

Umang Mehta: Thank you. The next question is from Renu Baid.

Renu Baid: Yes. So just one question, circling back on the solar rooftop portfolio that we are having since essentially, it will be an outsourced business model for us. And you mentioned ROCEs are very high. How would, in your view, be the net working capital intensity and the key risk on the execution side? Any warranty obligations required on the performance of the panels?

Promeet Ghosh: Sorry, one second. If I just put down the questions, you are asking what the working capital requirements in that business are? And two, what are the commitments that we are making on warranty?

Renu Baid: On the performance as in typically for rooftop, there are also performance related warranties which are required in terms of the efficiencies of the panels. So, to what extent it would be back-to-back covered with the panel supplier, and on our books, what could be the liabilities related to these?

Shaleen Nayak: Yes. So, we are completely covered on the back-to-back as far as the panels go.

Promeet Ghosh: Renu, to answer your question, these are back-to-back. This is not very different from many of our other businesses. As you already know, we have a healthy mix of products that we outsource and products that we make in-house. Crompton does a splendid job of ensuring that the quality of the product that is put out into the market, regardless of whether it is made in-house or outsourced, meets the Crompton standard. Now, insofar as the working capital is concerned, as I have already told you, this is a business in which ROCEs are high. So, the working capital intensity of this business is low. So it is, many of our businesses, we operate as very capital efficient businesses. That is the case with our fans and pumps business. And this is also a business which is a high ROCE business.

In this business, on the retail side of the business, solar rooftops, 85% to 90% of the payment is made in advance.

Renu Baid: Got it. And on the panel side, would it be possible for you to elaborate on who our partners here would be in terms of sourcing partners?

Promeet Ghosh: One second. If you do not mind, we will not disclose who our partners are. Obviously, when we have gone and got these bids, we have decided for sourcing the solar panels. But I want to make this point here. And this is a question that you have not asked but has been asked of us.

Renu Baid: Because panel availability is a constraint and at what price? So as in, how are we covered on that aspect? Do we have annual rate contracts with some of the larger suppliers here in the market? Or how does it work?

Promeet Ghosh: Okay. So, the solar rooftop business, we have clarity of what price we are going to get the panels at, okay. So that is point number one. Point number two, now, because we have such a large scale in solar pumps as well as in solar rooftop, that enables us to get well-negotiated prices in the solar panel business, as you might imagine. In fact, one of the very key things that this order allows us to do is to get scale on our sourcing, both on the solar pumps business as well as in the rooftop business, and not only in these orders, but outside these orders as we go out and implement orders, directly take orders from individuals. So, the product is the same. If you have 50,000 units that you have a scale already in, that obviously significantly steps up your ability to get better prices for these products as well as will help us step up the execution of these products because that is also something that you need to do. One of the reasons why we have managed to get sharp uptick in solar pumps is because we have done the execution well.

Renu Baid: Got it. And sir, lastly, a question related to fans, where obviously we have a table rating change coming through from Jan. So, last time, remember, Crompton had been low on inventory up stocking of the older inventory. There was significant destocking ahead of these changes. This time around, do we have a strategy in place. We are already in November. So, would we be on the board with other industry peers to up stock on the older rating products ahead of the change, or we would go low on inventory, channel inventory, and then push the new product range from Jan?

Promeet Ghosh: And clearly, we have learned our lessons from the last time. I will leave it at that. And, there have been two projects which have been running in Crompton for the last six months. They are called Utkarsh 1 and Utkarsh 2. Utkarsh 1 is how the stocking and destocking of current B-rated fans is going to work. And Utkarsh 2 is how we are going to start manufacturing new B-rated fans. And I dare say that we are well prepared, as far as we can tell today. Hopefully, you will start seeing some of these fans sooner rather than later. So, we made this point earlier. We are technically preparing ourselves not only for BEE 2.0, but also for BEE 3.0. That is why I went and announced to you, now nine months ago, gave you a glimpse of the technology that we were using. So, yes, I think we are in a reasonable state of preparedness. The extent of up stocking in the industry, I can tell you, is not going to be probably like what happened the last time. That is not in any way Crompton related. That is because I think the industry, the channel partners last time had up stocked across the board, other than in Crompton. And they, I do not think felt that that served them particularly well. So, our sense is the levels of up stocking in the channel will be more moderate across the industry. But we are well prepared.

Renu Baid: Surely. Thanks much, team, and best wishes. Thank you.

Promeet Ghosh: Yes.

Umang Mehta: Thank you. Next question is from the line of Achal Lohade.

Achal Lohade: Yes. Thanks for the opportunity. Two questions. First, on the lighting, if you could help us understand, we have had a record margin, how sustainable are these? What has driven this margin expansion? And B, mid-teens volume growth is pretty encouraging. How do you see that playing out going forward? What is driving any particular sub-segment which is helping in terms of the growth?

Promeet Ghosh: Okay, so let me take the first crack at it. And I will ask Shaleen to step in if needed. Lighting, as you know, comprises two parts, B2B and B2C. In our case, the growth has been similar in both B2B as well as B2C. So, we are not particular believers that we should just do lots of B2B businesses, which are kind of very low margin business otherwise. So, we have done in B2B as well as B2C, our growth has been consistent.

In B2C, we have been calling out for some time that we are significantly reorienting our product mix. Our product mix used to be lamps and battens. Our product mix today is panels, lamps, and battens. Some time ago, our lamps and battens used to be more than 65% of our product mix. Today, they are about together probably 40% of our product mix. We have added a lot of both panels as well as other products like flood lights, etc. All of these are going towards a material uptick in the margin in our lighting business.

In our B2B business also, we have been working towards improving the quality of our B2B business. Without taking specific numbers, one of the objects of our B2B business has been to reduce the kind of government exposure because they have tended to be in our B2B business, and increase our industrial part of our business. And that is also something that we are managing to do. The largest contract that we currently have is with an industrial company, JSW Steel, we have fully disclosed. So, there are a spate of activities that we have done in our lighting business, not the least of which is, also addressing the manufacturing costs of our lighting business. Now, the lighting business had two manufacturing units. One was in Baddi, the other was in Baroda. In Baddi, we have changed that manufacturing unit. And now it is a fully dedicated fans business, which is a 50% increase in production capacity to what we used to manufacture in Baddi before. There is no more lighting in Baddi.

In Baroda, as you have already heard, one that manufacturing unit has gone from being a dedicated facility only to lighting to many other PLs (product lines). And in this last quarter, we have also undertaken significant restructuring, which will come now. The benefits of that will come now to all the PLs that are now based out of Baroda. So, if you have spent Rs. 20 Cr., typically, the payback of these expenditures tends to be about.

Kaleeswaran A.: Sub two years.

Promeet Ghosh: Yes, less than two years. Obviously, we have not spent it just like that. So, what you are seeing in lighting is the benefits of both front-end as well as back-end improvements.

Achal Lohade: Is it fair to say that this is now the new normal margins? Would that be a fair assessment?

Kaleeswaran A.: From a forward-looking perspective, Achal, as you know, we do not give guidance. But having said that, the idea is to also reinvest back to get lighting on growth. So, we also look at opportunities to step up our A&P in this.

Achal Lohade: Got it. The second question I had was with respect to the solar piece. If I look at solar pumps and rooftop, both are dependent on the government schemes. So, if you could help us understand, what is the visibility you have got, particularly on the PM-KUSUM, there was expectation that it should come through the PM-KUSUM 2.0 anytime now. So just wanted to check any update on that.

Promeet Ghosh: Okay. So let us step back for a second. Both the businesses are not government dependent. I will explain why. Firstly, insofar as solar pumps is concerned, as you are no doubt aware, KUSUM 1.0 is expiring, KUSUM 2.0 has already been announced.

Rajat Chopra: September onwards.

Promeet Ghosh: Yes. So, in the month of September, the son of KUSUM 1 has already been announced, KUSUM 2.0 and while 15 lakh pumps have been, I think, implemented in KUSUM 1, the aspiration is 36 lakhs?

Rajat Chopra: 36 lakhs.

Promeet Ghosh: 36 lakh pumps are the aspiration in KUSUM 2.0. So clearly, the government has every intention to continue to invest in KUSUM 2.0. In fact, from our point of view, we see opportunity in other states where today we are not present. As I mentioned earlier, got a market share of about 6%. That is working in a restricted number of states. Basically, we have been in Maharashtra, Rajasthan, and Haryana. We think, there is opportunity for us, now that we have done so much work, to also expand into other regions, and with that will come further increases in our market share. Insofar, as the solar rooftop business is concerned, the first orders are from the government. This is a huge business in the retail market. What these orders do is that that gets our business off to a flying start. Basically, it gives us scale in terms of installation, in terms of procurement. But also most importantly, this is a business where you can imagine the strength of the Crompton brand where you want to spend Rs. 2 lakhs on a product, and Crompton goes and says, look, we have also installed 50,000 units.

There is nobody else who can easily make such commitments to the people. So, this is a Rs. 20,000 Cr. market, today. I am not talking about the future. This is a Rs. 20,000 Cr. market, so this is a large business. Simultaneously to implementing the solar rooftop business in Andhra and Telangana, we have also launched our retail presence in a set of states.

And as that picks up pace, I will keep you informed about it. So, we do believe that going forward, we will have a healthy mix of direct to retail. This is different from B2B and B2C that we do in other businesses. In other businesses, B2B is a different product, entirely different product. It is a made-to-order product.

Here, this is the same product that we install in any home. If we put up a 2kW product in any home, this is exactly the same product, exactly the same installation, exactly the same survey, and therefore, very similar supply chain. So, I hope that answers your question.

Achal Lohade: Yes, very much. Just one small request, if I may. Please allow us some more time for reading, going through the presentation. Keep some gap between the presentation and the conference call.

Promeet Ghosh: Yes. Appreciate that. Unfortunately, our Board deliberations always overrun. So poor Natasha does not get much time to upload the investor deck. But yes, point taken.

Umang Mehta: Thank you. Next question is from Aniruddha Joshi.

Aniruddha Joshi: Yes. Thanks for the opportunity, Sir, two questions. One, both the schemes, you said, have got high ROCE and high growth also. But if we exclude the benefits in both PM-KUSUM as well as PM Surya Ghar, eventually the consumers may not like to get into these kinds of products because it will reduce the benefits to the consumers.

Second point, if the government realizes that the people engaged in or the middlemen between government and the eventual consumers are making high ROCE, eventually government may immediately cut down on the subsidy benefits also. So, assuming subsidy goes down materially almost to zero, do you still think that the businesses can generate high ROCE? And also, lastly, on high ROCE means, the definition that you are looking at, it just means more than 25%, more than 30%, where would you peg that number? If you can give a broad range, it will be helpful. That is question number one.

And last question, in case of fans, obviously the table will change in January. Also, we have seen there is a material inflation in most of the commodity prices also. So how do you see the overall price hikes that we may need to take considering both the table change and RM inflation? And how much we have taken right now and how much pending price hike will be required?

Promeet Ghosh: Okay. First point I want to make. I said it is a high ROCE business. It is a high ROCE business for us. That does not mean that it is a high ROCE business per se. It is a high ROCE business for us because it is a combination of the brand pull and the fact that we have scale in our manufacturing, in our sourcing, and because we have over a period of time invested significantly with our partners in the execution of these. Otherwise, businesses do not have high ROCE. So, there are some things that I think differentiates us. Let us understand, in the pumps business, what is happening in the pumps business, is that the government is already doing an auction. So, the government cannot say, boss, I will give it to you at lower than the auction. There is an

auction. So, if somebody can bid lower, they are already bidding lower. But after the auction is done, the government says, ask the farmers, now, these are the five pumps which are available, please tell us which pump they want, which pump you want, right?

Aniruddha Joshi: Right.

Promeet Ghosh: So, somebody can bid. But at the end of the day, the farmer recognizes one or two brands only, and he has faith only in one brand if I may say so, I will just come to it. So, by the way, the government is not giving a subsidy just like that.

Aniruddha Joshi: Correct.

Promeet Ghosh: In the solar pumps business, as you are aware, many farmers get electricity at zero cost.

Aniruddha Joshi: Correct.

Promeet Ghosh: If you get it from the grid. And then, because it comes at zero cost, the electricity is very intermittent, and that, of course, has its own impact. What the government is doing is, basically giving a subsidy that you do not have to draw electricity from the grid and particularly, do not have to draw electricity, so that I do not have to give you free of cost.

Aniruddha Joshi: Right.

Promeet Ghosh: So, what the government has obviously thought through the subsidy program at some length. Now, similarly, in the solar rooftop business, what this rooftop business does is, if you have a solar rooftop, it is a two-way meter that you have. The government gives you a subsidy, and the government is deeply, deeply focused on the spread of green energy. The government has, as you are aware, very ambitious targets about the carbon footprint of the country, right.

Aniruddha Joshi: Right.

Promeet Ghosh: And what the SCBs do is that when you put up a solar rooftop, when you are generating during the day, part of it you use, part of it you give back to the grid, right.

Aniruddha Joshi: Right.

Promeet Ghosh: So, first of all, this is something that has been carefully thought through by the country and the government is not simply giving money away. Secondly, and even more importantly, this is not unique journey. We have seen this happen in business after business. As the scale grows and the benefits of these products becomes clear, you can see it in fame, one, two, three, and so on and so forth, governments find that it is not necessary for the subsidy to continue because the math makes sense for people anyway. I mean, soon, anyway, there is a large investment being made by the government in this. KUSUM 2.0 is a ready demonstration of it. But I do not think we should approach this business as being a short run business. Sorry, Kalees, you wanted to say something.

Kaleeswaran A.: I will come to the second question, maybe, and then I will address the first one. Second one on fans, what you asked, as we communicated earlier, 1.5% of price increase has already been taken. There are also actions that we will take as we move into the BEE 2.0 regulatory change. It need not be price only. As you would know, for consistently over the years, we have been running a successful Unnati program that helps us to optimize cost. So, both are running in parallel. This will help us to get back to margins in due course, as we are planning to work on these actions.

Typically, sunrise industries always start with a subsidy. That is what we are doing in solar pumps and rooftop. And end of the day, you are building a library when it becomes a business, which is beyond subsidy, you have Crompton as a household name available for the farmer, or for the consumer at household to get it installed. And the unit economics works today for the farmer because intermittent power supply is ending up in spending cost on diesel, which is significantly high and borrowed at a cost of 36%+. Organized financiers are planning to get into it where funding will be at 8%, 9%. So, it will be a standalone business with very good payback to the farmers on pumps.

On B2C solar rooftop, it is a straight case. There is no need to even look at the unit economics. As we move forward with scale, that pays back by itself. So, I do not think subsidy has got anything to do with it.

Promeet Ghosh: In fact, as subsidies go down, the focus of the individuals on products which are long lasting, which when you put in a large amount of money, will give you a consistent, reliable supply becomes even more important.

Aniruddha Joshi: Right. This is very helpful. Yes. Thank you.

Umang Mehta: The next question is from the line of Natasha Jain.

Natasha Jain: Yes. Thank you for the opportunity. Sir, I wanted to know, in terms of newer categories, are we looking at something more in tune with our distribution channel, like, say, wires? And given that wires have a strong double-digit outlook in the future, why are we not getting into this category? And our distribution strength is so good. I mean, we can probably leverage and cross-sell or sell through the same channel. So, I wanted to know if we are looking into getting into this segment.

Kaleeswaran A.: Natasha, as you would appreciate, this is for a quarterly earnings call of what has happened in Q2 FY26. We would refrain from giving you insights on future product categories we will enter. We have called out the way in which we would enter. At appropriate time, you will hear from us about it.

Promeet Ghosh: So, we are well aware of our strengths, Natasha. So, I will leave it at that. I think you will also appreciate that when we formally announced the entry into a segment, it is after having done some homework in the background. So, I mean, solar rooftops are an instance where, obviously, if you have gone and got a Rs. 500 Cr. order book, that has not happened over the last two

months. So, if we have announced that business three or four months ago, it will tell you that there is some background work that was going on. So, at the right time, you will hear about our entering various categories. And we are aware of our strengths in various categories. And our strengths are our brand and our distribution. That is not lost on us.

Natasha Jain: Thank you, sir.

Umang Mehta: Okay. The next question is from the line of Himanshu Singh.

Himanshu Singh: Yes. Thanks for the opportunity. Sir, I wanted to check how has been the growth trajectory for fans in October post the monsoon retreat in large parts of the country, if you can elaborate.

Promeet Ghosh: It has been a slight improvement, I would say, in trajectory, a little bit better than last quarter. We will have to see how that pans out. I must say that our expectation for the previous quarter was a better growth trajectory. That did not quite pan out. This time, I hope, I will be surprised positively. But I think importantly, it is at times like this, I mean, leaving TPW aside, which I said as TPW tends to be the most seasonally impacted segment, because fans, lots of TPW gets bought when the weather is hot. And I think that is something that we have seen the impact of, particularly over the last quarter. But the fans business, even in a tough market, we have continued to gain market share, which is something that, frankly, is quite important to us. And sometimes, tough times are also opportunities for larger players like us.

Himanshu Singh: Okay. Thank you, sir. Another question, sir. What is the salience of e-commerce and modern trade channels for ECD? And how does the margin stack for these channels? And do we see any pressure or downward risk on margins if their salience grows over the near-term?

Kaleeswaran A.: We do not share the specific channel category wise data, Himanshu. But the unit economics are strong. That is something that we underpin for all the categories and channels we operate in. So, we know that e-commerce is a channel for growth. But we also have strong unit economics governing the profitability for it.

Promeet Ghosh: Maybe I will give him a little bit of color. Look, the channel margins initially tend to be a little lower in MOR and e-commerce. But remember that the e-commerce and MOR mix structurally is higher in our kitchen appliances business than it is in our ECD business, and I think, it should not be a surprise to you that we figured out how that mix should be worked with. So let me answer it myself. You are aware that in our Butterfly business where the e-commerce salience is quite high, we have worked very hard over the last few quarters to materially improve the profitability of our e-commerce business. And remember, when you are one of the largest consumer product companies in the country, that also makes a difference when you are negotiating with e-commerce channels, as well as with the MOR. So, it is not a straight answer, Himanshu. I mean, you can tell from the way that the margins at Butterfly have improved, that we do have some sense of how to deal with the e-commerce mix.

Himanshu Singh: Okay, sir. Thank you so much, sir. That is all from my side.

Umang Mehta: Thank you. Next question is from the line of Deepak Lalwani. Deepak, please go ahead.

Deepak Lalwani: Thank you for the opportunity. Sir, my question is on Butterfly. We have seen good growth in this quarter. If you can share the outlook for Butterfly. Is this growth a one-off? Or should we see it continuing?

Promeet Ghosh: You have asked this question for the last few quarters. So, I mean this is three-off because the last three quarters is not a one-off but a three-off, Deepak, I think it is fair to say that we are optimistic of the trajectory that the business is taking. The Crompton kitchen appliance business has also been, whatever, growing at a solid rate, consistently.

Deepak Lalwani: Okay. Yes. I just had one more clarification. So, the Rs. 500 Cr. order book in the solar rooftop business, executable over 12 months, so should we assume a Rs. 100 Cr.- Rs. 125 Cr. quarterly run rate for this?

Promeet Ghosh: Look, guys, how exactly it will bunch I do not want to tell you. But yes, the expectation is that over the next 6 months to 12 months, the order will be executed.

Deepak Lalwani: Sure. And sir, just a clarification on your comment that the recovery in fans is positive in October. Can you call out how has it panned out across the products, TPW, pedestal, etc.?

Promeet Ghosh: Look, I mean, I will answer it as best as I can. Look, at the end of the day, the TPW season is past. But insofar as ceiling fans are concerned, we are seeing some pickup, early days yet, but we are seeing some pickup.

Deepak Lalwani: And are we seeing a similar case for coolers as well?

Kaleeswaran A.: Coolers is again not in season, Deepak. So, I think cooler season has passed. It is more to start with the other seasonal products for winter. So therefore, nothing to impact on.

Promeet Ghosh: There was some stocking in that segment, as you might imagine, and that kind of impacted the profits there. But that is, of course, episodic. But the season is not really looking up. I mean, it is not season. Fundamentally, it is not season.

Umang Mehta: Thank you, Deepak.

Promeet Ghosh: Actually, some fans of ours in the TPW segment will pick up with the crop, because they are used to dry crops. To that extent, it will be interesting to see, now that the monsoon has been very strong, and presumably the crops are quite good. Unlike many other companies, we have quite a strong exposure to rural India. And some of our products are used for drying crops. And that should come up soon. But I have not seen it yet, because it is still raining in some parts.

Umang Mehta: Thank you, sir. I have a question from my end. Maybe Kalees can answer to it. Is there any particular reason why solar as a category is being prioritized? And how are you generally thinking about it internally?

Kaleeswaran A.:

I think the way we have been looking at it is, Crompton as a B2C brand has been very well known in this country, and it is an 85-year-old brand. And we continuously look at categories that we have a right to win. When we have entered solar pumps or solar rooftop, it is not to win couple of orders and see what is to be done, but it is look at how the consumption in India is going to move over the period of time.

Pumps, we believe that Agri pumps at a point of time is going to be replaced by solar pumps as an industry. And this could potentially be a USD 2 billion to USD 3 billion industry in size. In the history of Crompton in 85 years, we have done about, say, Rs. 250 Cr. of Agri pumps. In about less than two years, we have crossed that number, and we are looking at double as we look at this year. So, significant right to win for Crompton as a brand. And Crompton as a brand getting accepted with the farmers helps us a library to be built across, which also becomes a very strong replacement market as we move forward. That is as far as solar pumps are concerned.

Solar rooftop, the idea for us is to look at it from a perspective that we have been a household name. I think a large part of Indian household has grown with Crompton as a name. And one of the biggest challenges that has been there in solar rooftop is, companies with credibility coming and taking this up. And you do not have fly-by-night operators, who cannot stand and provide a warranty for a longer duration.

What Crompton brings on the table is that an ability to execute this, which we have demonstrated in solar pumps, an ability to have a supply chain that can address it and install and provide post installation support with great quality. So that is why we feel solar rooftop is another industry that helps us to grow.

Combined as we look at it from a B2C perspective, which is the way that we are approaching this, we see this scaling up to about Rs. 2,000 Cr. in the next 18 months - 24 months. That is what we are looking like an outlook for it. The profitability of these businesses is like what Crompton is making as overall business. So, there is no difference from that. We do see the unit economics is much more favorable, and the balance sheet is lighter. Consistently, over period, there has been no significant fixed asset investment that we have done. This is no different from that.

Our working capital has been negative. While there could be some working capital involved, but the ROCEs are going to be higher than the average. So, in all, we see this as a sunrise sector that is going to pick up in a significant way for the country. And as a brand that has been there for 85 years, it is an opportunity for us to participate and reshape the consumer experience both in households and for the farmers. So that is why we are looking at solar as a huge opportunity, and we want to be part of shaping this. And one of the things that we also committed is how do we work towards a clean energy journey for the country. This also helps from our commitment that we have made, which we announced it in the last quarter from a 2035 energy commitment.

So over and all, a great business that is a consumer franchisee for us, a great unit economics, and helps us to drive sustainability and clean energy. So, it ticks all the boxes for us to grow. Most

importantly, we do not want to go linear here. When we aggressively scale this up to Rs. 2,000 Cr., which we are looking at, it gives us enormous benefits on supply chain. It gives us enormous benefit on technology and IoT that also will help us and rub off positively in many other segments also. That is largely why we are into it and why we are getting into it. Trust that answers, Umang.

Umang Mehta: Yes. Thanks. That was quite comprehensive. If I can just squeeze one last question. Would you be able to share current inventory levels in fan? Is it normal, more than usual or?

Promeet Ghosh: Current inventory levels in fans are reasonable. I assume that you mean inventory levels with us.

Umang Mehta: Yes, and the channel.

Promeet Ghosh: Yes, are reasonable. Like I said, we have been running two programs, Utkarsh 1 and Utkarsh 2. And both of them are progressing apace. And if I may just add to what Kalees said, absolutely, it is not that we are prioritizing the solar rooftop business or the solar pumps business. It is the reason I spent some time talking about it is because these are new businesses which you may not be familiar with, and certainly we have not talked about them in the past. Then let there be no mistake that we are very, very focused also on our core businesses. I told you that in the fans business, now we are recognized as the largest solar ceiling fan company in the world. That gives scale. And let me tell you that we are not taking that scale lightly. Yes, the fans business has come through a period where seasonality has impacted the fans business a little bit.

But even during that time, we have gained market share. It is during that time that we have made investments in XTech and Nucleus. So, we continue to invest in our core businesses. One other business that we spoke about earlier, which used to be asked about earlier, was our kitchen business and our lights business. And you have seen that with the focus that we have had in those businesses, the trajectory of those businesses has changed. So that is not to say that we are neglecting our other businesses.

Umang Mehta: Got it, sir. Thank you so much. With this, we will end the Q&A session. I will hand it over to you for closing remarks, if any. Thanks for the opportunity to host you.

Promeet Ghosh: Yes. Thank you very much. And if you need to reach out to us, Natasha is obviously available. Yes. Thank you, and you have a good evening.

Kaleeswaran A.: Thank you, guys.