Operator: Welcome to Bajaj Electricals Ltd. Q2 FY27 earnings conference call hosted by ICICI Securities Limited. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and then zero on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Manan [cut off]

Operator: {? Manan ?} Goyal from ICICI Securities Limited. Please go ahead, sir.

Manan Goyal – ICICI Securities: Thank you. On behalf of ICICI Securities, we welcome you all to the Q2 FY25 results conference call of Bajaj Electricals Limited. Today, we have with us senior management represented by Mr. Shekhar Bajaj, Chairman; Mr. Sanjay Sachdeva, Managing Director and CEO; Ms. Ashwin Anand, CFO; Mr. Vishal Chadha, COO, Consumer Products; and Mr. Rajesh Naik, COO, Lighting Solutions. I now hand over the call to the management for their initial comments on the quarterly performance. We will then open the floor for the question-and-answer session. Thank you, and over to you, Shekhar sir.

Shekhar Bajaj – Chairman: Thank you very much, Manan. Good evening, ladies and gentlemen. I am Shekhar Bajaj. It is a pleasure to welcome you to our Q2 FY25 earnings call. We hope you had an opportunity to review our financial results and earnings presentation, both of which are now available on the stock exchanges.

Before discussing the quarter, I would like to share a personal note. After several decades of having had the privilege of leading and serving Bajaj Electricals, I will be stepping down from my executive responsibility at the end of this calendar year as part of our planned leadership succession. Subject to the requisite approvals, I will continue to remain associated with the company as a Non-Executive Director and Chairman Emeritus.

As part of this transition, Sudarshan Sampathkumar, who currently serves as an Independent Director on our board, will assume the role of Non-Executive Independent Chairman from January 1, 2025. I have full confidence in Sudarshan, Sanjay Sachdev, and the management team as they take the company forward. I remain deeply committed to Bajaj Electricals, its people, and its long-term success, and believe this is the right time to evolve our governance model and enable the board to play an even stronger collective role.

I see this as a natural evolution of my role, ensuring continuity in our values and purpose while further strengthening the governance and leadership framework for the future. As a shareholder and board member, I look forward to continuing to support the company and its management as they take Bajaj Electricals forward into its next phase of growth.

Lastly, the Bajaj family is not stepping away. The family remains the promoter and majority shareholder. I will remain on the board, and Pooja Bajaj and Neerav Bajaj will continue in their present board roles.

Shekhar Bajaj – Chairman: Now, let me start with a brief overview of the broader operating environment before taking you through our performance for the quarter and the key developments

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across our businesses.

During the quarter, commodity costs remained elevated. The broader geopolitical environment also remained uncertain. Against this environment, our team stayed laser-focused on execution, consolidating the channels, driving cost efficiencies, and strengthening the foundation we built through FY26.

We delivered modest revenue {? growth ?} of hardly 1.5%. While our revenue growth was modest, we were able to maintain our gross margin at 31.9%. We have also improved our EBIT margin by 140 {? bps ?} basis points, from 3% to 4.4%. Profit before tax has more than doubled from 15 crores to 35 crores on a year-over-year basis. I would say this is a positive step towards implementing the learnings from last year's actions.

The board and I remain confident in the direction we have set and are excited about the momentum we are building. With that, let me hand over to Sanjay Sachdeva, our MD, to take you through the operational and financial performance in detail. Thank you.

Sanjay Sachdeva – MD: Thank you, Chairman sir, and good evening, everybody. Thank you for joining the call. I am pleased to walk you through our results in Q2, which, as the Chairman said, were modest on the top line but showed significant improvement in the quality of gross margins, EBIT, and PBT.

Before I start, I would like to take a moment to express my deep gratitude to our Chairman, Mr. Shekhar Bajaj. His leadership, vision, and unwavering commitment have shaped Bajaj Electricals into the institution it is today. Under his stewardship, the company has grown more than 200 times. But his contribution goes well beyond that scale. He has laid the foundation, values, and strategic direction that continue to guide us. The new structure provides greater clarity of roles while preserving continuity and long-term stewardship.

The management team remains fully accountable for developing and executing the company's strategy and delivering sustainable performance, supported by the collective guidance and oversight of the board. We remain deeply inspired by the Chairman's leadership and the vision he has laid out, and are privileged to continue benefiting from his guidance. As a management team, we carry the responsibility of building on this strong foundation and taking Bajaj Electricals forward with the same values, ambition, and commitment to long-term value creation.

Now, with that, let me begin with a few highlights and provide greater context to our performance this quarter.

This quarter, revenue growth was led by growth in consumer products. Our gross margin for Q2 improved by 10 bps. This is significant given the inflationary headwinds that we have been facing.

On a year-to-date basis, our gross margin has improved to 32.1% versus 31.4%, which is about 70 bps higher than last year. This clearly shows that our cost-efficiency program is yielding results and that we have been able to manage input commodity inflation quite well.

Our brand investments for the quarter stood at 3.8% of revenues, up 150 bps year-on-year. This reflects our continued commitment to strengthening the Bajaj brand. As communicated earlier, we

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see brand building as a strategic investment for the future. Our association with programs like Bigg Boss is another step in this journey, enabling us to deepen consumer engagement and enhance visibility across touchpoints.

Our cost-control initiatives across all lines are yielding results. Our EBIT margins improved by 140 bps, from 3% to 4.4%. Adjusted for the incremental brand investments that we had made, our margins on a like-for-like basis were 5.9% versus 3%, which is quite encouraging.

Lastly, profit before tax has more than doubled, from 15 crores to 35 crores, on a year-over-year basis. Again, adjusted for incremental investment behind the brands, the PBT margin would have been 4.5%.

Now, let me dive deeper into consumer products. This vertical has grown by 2.4%, supported mainly by growth in kitchen and domestic appliances. Categories such as induction cookers, water heaters, and steam irons have all grown at high double-digit rates. While fans have declined in this quarter, premium BLDC growth has been phenomenal. In fact, BLDC fans for us have grown by more than 56% and now account for close to 17% of our portfolio. This is not enough, we know that, and we have plans to take it further.

This vertical has delivered a consistent EBIT margin of 4% again in this quarter, which, while still lower, is encouraging. Adjusted for the incremental brand investments we have made, and on a like-for-like basis, we have delivered 5.6% EBIT versus 2.8% last year. We endeavor to continue this momentum while also continuing to invest behind the brands.

Now coming to the Lighting Solutions vertical. The vertical has declined by 1.3%, mainly due to revenue contraction in professional lighting. The consumer lighting business has done well, with double-digit growth mainly fueled by wires and switchgear. Switchgear has grown by 28%, although on a smaller base. We are also seeing good traction in wires. The vertical has delivered an EBIT margin of 3.1%.

From a channel perspective, our e-commerce business has grown in double digits this quarter, and our focus on exports is also yielding results, with very strong growth.

Looking ahead, our priorities remain clear: driving premiumization and innovation, optimizing distribution, strengthening consumer engagement, and continuing to invest in our business with discipline.

As we move through the festive season and into the second half of the year, we remain confident in our outlook, supported by strengthening brand preference and a focus on a consumer-centric portfolio across key categories.

With that, I would like to wish all of you and your families a very Happy Diwali and a joyous festive season ahead. Thank you for your continued interest and support for Bajaj Electricals. We will now open the floor for questions. Thank you.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested

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to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Sameer Gupta from IIFL Capital. Please go ahead.

Sameer Gupta – IIFL Capital: Hi, everyone. Thank you for taking my question. I wanted to understand, when I compare the growth performance of the consumer products business versus peers such as Havells and Crompton for the respective relevant categories, almost all of them have recorded double-digit growth, and they have also called out pricing tailwinds. Even in appliances, a peer like TTK recorded growth of more than 30% in the previous quarter. They are yet to report for this quarter. So why is Bajaj an outlier here, at least from a net sales growth perspective?

I believe you have been undertaking a channel-consolidation exercise. How do you evaluate the success of that? Any numbers or qualitative commentary that you can share, which can give us confidence that we are moving in the right direction, would be helpful. If you can share any data on secondary revenues, that would also be helpful. That would be my first question, sir.

Sanjay Sachdeva – MD: On consumer products, which is your question, [pause] we do not really share product-category-wise numbers, but I can say that fans have declined by more than double digits for us. While BLDC has grown very well on a smaller base, and the premium fans have also done well, it is the fan category that is bringing the averages down. Net of fans, we have also delivered double-digit growth across categories.

Just to give you the context, because you need to know what is happening, it is the fan category. If you turn around the fan business, you will see a very different number.

Now, what is going to make that happen is BLDC. As you know, we are a little late versus the competition. We recognize that. We are working on plans to accelerate our innovations in the market. We are building innovations and also building capacities.

The one innovation that we have launched in the market, which we are now taking to various states, has done very well. We are now building capacities at a multiple of where we are right now. Once those capacities are in place, which will be in the next three to six months, the fan business should start building rapidly in terms of turnover and growth. Then you will see a very different number. That is what I can tell you right now.

Sameer Gupta – IIFL Capital: Understood, sir. Is there any particular reason why the non-BLDC category is showing such a sharp decline? Has it simply gone out of focus? Is the market moving towards BLDC and will we probably take some time to ramp up? I believe that even the non-BLDC portion should have a reason for declining so sharply.

Management: In terms of growth rates, BLDC is obviously growing much faster than induction fans. Within that, our portfolio was highly skewed towards entry-level and sub-economy fans, where we are not seeing this kind of growth in the industry. That is probably the reason why our entire focus now is on driving growth and innovation around BLDC.

As Mr. Sachdeva pointed out, BLDC has done quite well, with growth in excess of the industry growth, albeit on a small base. You will see more action on this front going forward.

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Sameer Gupta – IIFL Capital: Understood, sir. Do you believe that in the next three to six months you should be in a position to grow at least in line with the category?

Management: That is what we are working towards, and we are confident of it.

Sameer Gupta – IIFL Capital: Thank you, sir. All the best, and festive wishes from me.

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

Praveen Sahay – PL Capital: Thank you for the opportunity. My question is related to consumer lighting. As you mentioned in the opening remarks and in the presentation, the double-digit growth in consumer lighting is backed by the new categories of wires and switches. You also highlighted the growth in switches. Can you provide more detail on that? What is the contribution or quantum of these new categories? Which geographies are you working on, and how do you see this category scaling up from here onwards?

Rajesh: This is Rajesh. As mentioned last quarter, we are completely focused on new categories and on how we can expand them. You must have seen the investment being made in ATL branding for the new categories. We are quite focused on four states where we will be trying to build penetration and achieve much faster growth. That is what is helping consumer lighting overall to grow.

Yes, we are a little soft in consumer lighting as a core category, but these particular new additions are helping us to grow at a double-digit rate in this consumer lighting vertical.

Praveen Sahay – PL Capital: Can you provide some detail on the quantum? How much is the contribution of the new businesses right now?

Sanjay Sachdeva – MD: It is almost 20-25% of the total, coming from the new business. We can do more, and that is the plan. Already, it is about 20-25%.

Praveen Sahay – PL Capital: Which geographies are you targeting, especially for wires?

Sanjay Sachdeva – MD: We are looking at those states. We are trying to match where we are strong as a brand with where the market is large, and—

Management: —where the market is large. We are trying to identify those states and markets. There are four of them, which is obvious; you can make it out. If you follow the market, you will find those four states.

Praveen Sahay – PL Capital: Right. Related to that is the decline in professional lighting. You also mentioned that there is a reason for it. Can you explain the extent of this decline?

Management: [off-mic discussion] {? Should I go ahead? ?}

Management: The decline is close to double digits. It is also very specific to some categories. We lost certain projects in the bidding process, and therefore, versus the base, we could not deliver the same performance. We are also being very selective on costs because, as you know, inflation is high, and therefore we do not want to win orders at any cost. We had to let go of some orders

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because of that.

There has also been a slight slowdown in orders, frankly, but I would not say that this is a major contributor.

Praveen Sahay – PL Capital: Also, you alluded to the fact that the margin pressure is because of operating deleverage and that the new initiative is putting pressure on margins. You also mentioned the product mix, particularly in lighting. If you are moving more towards consumer lighting, I believe that is a better-margin business than professional lighting. Is that understanding correct, or can you elaborate?

Management: No, professional lighting is more attractive.

Praveen Sahay – PL Capital: That is why you want to continue driving professional lighting, as you have been doing in the past?

Praveen Sahay – PL Capital: Understood. Thank you, sir. All the best.

Operator: Thank you. The next question comes from the line of Keshav Garg from CCIPL. Please go ahead.

Keshav Garg – CCIPL: Sir, I had many questions, but first I want to start with a bigger-picture question. In your view, what is ailing this company? The Bajaj Group is known for being the leader in all the verticals in which it operates, whether it is two-wheelers or finance. So why has this company, despite having such an early beginning, failed, and why are we continuously losing market share? Why are we underperforming even compared with players that are much smaller than us? Even against mediocre competition, we are underperforming. What exactly is wrong with the company? What is the diagnosis?

Management: [pause] To start with, I think you are making a very generalized statement, which is difficult to answer on a general basis. Let us go one by one.

We are not losing share across the board. In fact, in most categories, except fans, we are either maintaining or gaining share. Factually, that is the truth. We are number one or number two across categories. That is a fact, and we cannot deny that, except for fans. If you are saying anything beyond that, which I am not aware of, then please tell us.

Keshav Garg – CCIPL: Let us take it one by one. For example, in our consumer products division, revenue has been totally flat since FY21. That is basically three years, whereas our margins have declined from 10% to low single-digit numbers. If we compare ourselves with any listed comparable company, they have outperformed us both in top-line growth and margins. The same is the picture with the lighting division.

Management: Coming back to that, one of the key factors is that we have lost out on fans. As I said, the issue is fans. We lost some share in the first two or three years, in FY22 and FY23, because at that time we were changing the entire portfolio. We lost some distribution and some share during that period, which we started recovering from last year.

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This was an important change because we wanted to revamp the entire portfolio. Now the fan business is something that we are working on, and we hope to see acceleration in growth and the return of market share once our fan acts get right.

In the case of lighting, we have actually been consistently growing faster than the market and the rest of the players. You may not see the numbers in some parts of lighting because the price per light has been declining over a period of time. Therefore, that is a headwind for us, and it is a headwind for everybody. In fact, lighting has done relatively better. That is what the data tells us.

Management: If you see last year, in professional lighting we were the only company growing at twice the rate of whatever the competition was doing. That is the base on which we are trying to grow this year.

Keshav Garg – CCIPL: Sir, I am comparing our numbers with those of other listed peers that have reported their Q2 numbers. I can name them for your benefit: Crompton Greaves Consumer and even Orient Electric. Whether you compare any product or any segment, their revenue growth is higher and their margins are much higher, despite Orient Electric having a small base.

I am really at a loss to understand this. Does the fact that something went wrong with the fan really explain the whole story? Our stock is at the same level as it was 16 years ago. Are you telling me that something went wrong with the fan, and that is why our stock is where it was 16 years ago, at 2010 levels?

Management: Regarding 16 years, I do not know; I can talk about the last few years. I can tell you that the share prices of the entire industry have been coming down, and therefore it is not something that has happened only to one company.

Coming back to consumer products, as I said, you are talking about Orient. They themselves have said that the fan business has done very well, whereas we are telling you that the fan business has not done well for us. That explains most of the story, although it cannot explain the entire story.

Keshav Garg – CCIPL: Going ahead, what can we expect? How long will it take you to put your house in order as far as fans are concerned, and when can we see at least the same growth rate as the industry?

Management: [pause] [off-mic discussion] {? Let me ?}

Shekhar Bajaj: I am Shekhar Bajaj here. I think none of them were there in 2010, so when you talk about 2010, I am the only one who can respond to you.

At that time, both the EPC business and the consumer business were together. The EPC business has now been separated as Bajel. Therefore, when you look at Bajaj Electricals today and compare it with that time, you must add Bajel to it and then compare it with 2010.

There has been a clear-cut improvement. What you are asking about is something that we are already addressing. You can see the numbers in the first two quarters. I think in the coming years also you will see that a lot of correction has taken place, and we expect the growth to continue. We have a very good management team in place. You have seen growth this quarter, and you also saw

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growth last quarter. I hope that in the coming quarters you will continue to see growth.

Keshav Garg – CCIPL: Okay, sir. Thank you very much.

Management: On your specific question about when you will see better numbers in fans, as I said at the beginning in response to another question, we are ramping up production. We are building new-tech BLDC capability in our factories, and that is going to take another four to five months.

Keshav Garg – CCIPL: Understood. Thank you.

Operator: Thank you. The next question comes from the line of Rabindranath from Nirmal Bang. Please go ahead.

Rabindranath – Nirmal Bang: Thank you for the opportunity, sir. In your fan portfolio, what is the contribution of premium fans in this quarter? If you can provide it for the first half, what is the contribution of premium fans in percentage terms? Also, on a quarter-on-quarter basis, what was the growth in BLDC fans in Q2 compared with Q1?

Management: [hesitates] Our BLDC fan growth over last year has been 56%. On a year-to-date basis, it is 26%. In terms of the contribution of premium fans, including premium induction fans and BLDC fans, overall it is in excess of 30%.

Rabindranath – Nirmal Bang: It is 30%?

Management: That is the contribution to total ceiling fans in Q2.

Rabindranath – Nirmal Bang: No, in the fan portfolio, what percentage is it? You are talking about 30% of total premium fans?

Management: In terms of ceiling fans, if you want to know the figure for total fans, just give me a second.

Management: [pause] Around 30%.

Rabindranath – Nirmal Bang: 30%.

Management: It is 30%.

Rabindranath – Nirmal Bang: Okay. What is the growth of BLDC fans on a quarter-on-quarter basis?

Management: 56%.

Management: It is 56%.

Rabindranath – Nirmal Bang: 56%. All right. Thank you, sir.

Operator: Thank you. A reminder to all participants: anyone who wishes to ask a question may press star and one on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

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Operator: The next question comes from the line of Manoj Gori from Equirus Capital. Please go ahead.

Operator: [pause] Sir, you are not audible.

Manoj Gori – Equirus Capital: Hello? Yes. Thank you for the opportunity. My question is that we are just getting into winter. If you look at the challenges we have faced in the fan portfolio, can we see some disruption in water heaters as well?

Could you elaborate on the measures we are taking to achieve the sustainable double-digit growth that the company aspires to? How should we look at the margin side, from the second half of FY25 and from an FY26 perspective? How should we factor in margins for the consumer products business for modelling purposes?

Management: [pause] Water heaters typically have a better margin profile than fans for us. As was mentioned at the beginning, our domestic appliances portfolio, which includes water heaters, has been growing at a double-digit rate.

In terms of the coming quarter, I would not give a forward-looking statement, but we remain optimistic about an improvement in the margin profile.

Manoj Gori – Equirus Capital: If we look at pricing, our gross margins have held up very strongly year-on-year. Do we foresee any further price hikes? Have we initiated any price hikes during the quarter? Is there anything you can share on price hikes?

Management: On prices, as you know, we take prudent price hikes as a last resort when input costs increase. We look at all other levers, and then, in the end, we consider pricing.

Our attempt is for less than half of our inflation to be reflected in pricing, with more than half being absorbed through productivity improvements.

As we entered the quarter, and starting with the last quarter, we have seen inflation in both metals and plastics. A significant portion of that has been absorbed through productivity improvements, but some of it will be addressed through pricing.

To answer your question, we took one round of price increases in lighting in October. We are evaluating whether we need to take a price increase in consumer products, which at this stage appears to be the case. Therefore, during the quarter, there will be an evaluation to determine how much the increase should be and when it should be implemented.

Manoj Gori – Equirus Capital: Sure. My last question is whether you can provide some insight into the volume performance. We have witnessed a double-digit decline in the fan portfolio, whereas the rest of the portfolio has performed very strongly.

Based on our understanding, we may have taken a double-digit or high single-digit price increase across the product portfolio. Are you internally satisfied with the volume performance that the industry is seeing today? If we adjust for the price increases, volume growth is likely to be in the single digits, or even as low as the low single digits. This is also on a base where most product

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categories were impacted last year.

What is your outlook or view on how you assess the volume front for the industry and for Bajaj specifically?

Management: [pause] Our growth is a combination of value and volume, and it varies by category. As you mentioned, pricing and premiumization have contributed. As we have seen in some fan categories, premiumization is also on an upward trend in some of our core categories. It is a mix.

There are volumes that remain soft in some core categories. However, our longer-term priority is the quality of growth rather than pursuing top-line growth through excessive discounting or channel loading. It is a mixed bag. In some categories, we have seen volume and value growth. In some categories, growth has been more pricing-led.

Manoj Gori – Equirus Capital: Understood. Thank you, and I wish you all the best for the future.

Operator: Thank you. The next question comes from the line of Manan Goyal from ICICI Securities Limited. Please go ahead.

Manan Goyal – ICICI Securities: Hi, sir. I have two questions. First, given the macroeconomic environment, how do current inventory levels look across distribution and dealer touchpoints? Are we comfortable with channel hygiene heading into the peak winter appliance season?

Second, given that wires were launched in February 2026, what is the current revenue run rate, and what is our target for FY27 or FY28? Are we growing faster or slower than the industry? Also, what has been the pricing impact in wires, and how much price hike have we taken? Thank you.

Management: On the consumer products side, channel health has improved materially, and we remain quite disciplined on inventory. Over time, primary and secondary sales have been tracking each other more closely. However, that does not necessarily happen every month because there are factors such as seasonality.

For example, there may be some pre-season loading. This time, Diwali is in November, so the phasing of the festive season starts making a difference, as does the channel mix. Our focus remains on sell-out and healthy channel inventories.

Management: To answer your question, last year we had to undertake an inventory correction in Q3, which is the quarter we are currently in, because we exited Q2 with higher-than-desired inventory levels in the channel. We have no such plan this year.

Management: Regarding wires, we want to expand distribution for this particular wire business. We are seeing month-on-month growth. Acceptance is good, but we want to build quality distribution for the business.

We are working on combining this particular wire business with wholesale as well as the distribution business so that we can capture both segments in which we want to grow.

Management: Given the size of the wire business, it is still small. Our ambition is to accelerate further, which is why we are taking a focused approach in a few states where we have strength and

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the market is large.

Within those states, we are currently building distribution through a combination of our existing distribution structure and an incremental distribution structure. Along with that, we are building our sales capabilities and organizational structure to support the business.

All of this is work in progress. Given the potential of this category, it will require continuous investment.

Manan Goyal – ICICI Securities: Understood, sir. Thank you so much.

Operator: Thank you. The next question comes from the line of Rabindranath from Nirmal Bang. Please go ahead.

Rabindranath – Nirmal Bang: Thank you for the opportunity, sir. You mentioned the BLDC trend, with a quarter-on-quarter increase of 56%. You launched a fan last quarter at Rs.1,999, the BLDC fan. Can you please tell me what the quarter-on-quarter value and volume growth are?

Management: [pause] The response has been good. As was mentioned, we are augmenting our capacity because this has been a limited market launch. We are augmenting our production capacity and will be able to expand over a period of time. Those are our plans for this BLDC fan.

Management: I do not know whether it would be correct to discuss this on a quarter-on-quarter basis because Q3 is not the peak fan period, whereas Q2 is. Also remember that we have launched BLDC fans in very selective markets. We are gradually expanding into other markets.

In two quarters' time, we will have a picture that reflects a normal national-level business, and we will assess it at that time.

Rabindranath – Nirmal Bang: In the BLDC portfolio, what would be the average pricing of our fans?

Management: [pause] The average pricing of our BLDC portfolio would be around Rs.2,500 to Rs.3,000. Again, it depends on which price you are referring to. Are you referring to the market operating price or—

Rabindranath – Nirmal Bang: No, I am referring to the market operating price.

Management: The MOP price? I am referring specifically to the market operating price.

Rabindranath – Nirmal Bang: Thank you. Thank you, sir.

Operator: Thank you. A reminder for all participants: anyone who wishes to ask a question may press star and one on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and two.

We will wait for a moment while the question queue assembles.

The next question comes from the line of Keshav Garg from CCIPL. Please go ahead.

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Keshav Garg – CCIPL: Sir, for FY28, do you have any targets in terms of EBITDA margin or an aspiration for revenue growth? Is there any ballpark number? Can we hope to grow our top line in double digits? Can we expect our operating margins to exceed 5%, and is it possible to expect EBITDA margins in double digits, which our competitors are already achieving in the same business?

Management: FY28 is next year. We will stay with what we have said. We want to grow in double digits, ahead of the market. If the market is growing at 8%, we want to grow at 10%. If it is growing at 6%, we want to grow at 8%. That remains our objective.

We want to grow, and we have the building blocks that will make it happen. If the market gives us a double-digit margin, we will reach that level.

Whether that will happen in FY28 may or may not be the case. If inflation is too high and we see an opportunity to accelerate growth through activities and innovation, we may decide to invest behind that growth rather than build everything into the margin.

To answer your question, we want to be in the bracket of growing at double-digit rates, faster than the market, and we want to be in the bracket of being close to double-digit profitability. However, whether that will happen in FY28 depends on the opportunities available to us.

If we see a good opportunity, we may pursue high double-digit turnover growth with lower profitability because we want to invest behind that growth. It will therefore be dynamic.

Keshav Garg – CCIPL: Understood. At least, when can we expect to surpass our earlier EBITDA, which I believe was around 320 crores in FY21? In your best judgment, when can we reach that number?

Management: Was that with Bajel? Are you referring to Bajel or only Bajaj Electricals?

Keshav Garg – CCIPL: No, sir. I am referring to the consumer products division. Since Mr. Bajaj referred to Bajel Projects, the erstwhile EPC division, I remember that a few years ago the issue was that the EPC business was making losses. Once we got rid of it, we were expected to be in a good position.

Since then, the EPC business has been separated, and now we are hearing that the fan business is not working out. It is always one issue or another.

Management: I am glad that you are keeping track of how Bajaj Electricals is doing. Our management team is very focused on ensuring that, in the next two to three years, we surpass the highest-ever number.

We do not remember at this moment whether it was 320 crores or 300 crores, but whatever the number was, we will definitely cross it in the next two to three years.

Keshav Garg – CCIPL: Great, sir. Are we also thinking about pruning our SKUs and verticals? For example, in the kitchen segment, some companies are in lighting and fans, while others are in the kitchen segment, which is altogether separate. There may be some overlap, especially in mixers,

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but I do not think anybody knows Nirlep. It may not even be in the top 10.

What is the point of retaining that category and underperforming? Do we have sufficient focus? Why not focus on a few areas and really push them?

Management: I think it is a good question. The answer is simple. Nirlep is currently at a level and size that does not impact our turnover, growth, or bottom line.

We are focused on two brands, and that is where we stand: Bajaj and Morphy Richards. Morphy Richards is at the premium end, while Bajaj is positioned in the middle and mass end of the market.

Similarly, across categories, we do not see any reason at this stage why we cannot operate in fans, lighting, and kitchen appliances. There are channel synergies, and these categories are all related to home care and fall within the electricals segment. I personally do not support the view that moving out of these categories makes sense.

Keshav Garg – CCIPL: Sir, I understand that [cut off]

Operator: I am sorry to interrupt. May we request that you return to the question queue for follow-up questions?

Ladies and gentlemen, we will take this as the last question for today. I now hand over to the management for closing comments. Over to you, sir.

Management: Thank you very much to everyone who could attend this conference. You must be happy that after a good first quarter, the bottom line was also better in the second quarter.

Our entire emphasis over the next few quarters will be on improving our top line because our costs and everything else are under control, and our margins are also under control. Therefore, once we improve our top line, you will see our bottom line improve substantially.

Thank you very much, and I hope to see you again after this quarter. Thank you.

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

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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