

**Operator:** Ladies and gentlemen, good day and welcome to Voltas Limited Q4 FY26 earnings conference call, hosted by ICICI Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. At the time of the question and answer session, we would request participants to please limit their question to one per participant. Please note that this conference is being recorded. I now hand the conference over to Mr. Aniruddha Joshi from ICICI Securities. Thank you and over to you, sir.

**Aniruddha Joshi – ICICI Securities:** Yes, thanks, Rutuja. On behalf of ICICI Securities, we welcome you all to Q4 FY26 and FY26 results conference call of Voltas Limited. We have with us today senior management represented by Mr. Mukundan Menon – Managing Director, Mr. K V Sridhar – Chief Financial Officer, Mr. Nikhil Chandrana – Head of Corporate Finance, Mr. Manish Somani – Head of Finance Controller, and Ms. Sumana Tripathi – Head of FP&A. Now I hand over the call to the management for initial comments on the quarterly performance and then we will open the floor for the question and answer session. Thanks and over to you, sir.

**Management:** Good evening, all. This is Sridhar here, CFO of Voltas. Glad to connect with you all this evening. This is the quarter and year ended March 31, 2026 results for Voltas. Voltas delivers a progressive recovery in Q4, supported by the cooling segment and robust performance from the other diversified businesses.

A little background on the global economy: the global economy entered 2026 amid a backdrop of cautious recovery and rising uncertainty. Moderating inflation, improved financial conditions, and sustained investment momentum supported economic activity during the early part of the year, while global trade flows and consumption trends remained relatively resilient despite uneven recovery across regions. However, as the quarter progressed, escalating geopolitical tensions, particularly across energy-sensitive markets, triggered significant volatility in commodity prices, currencies, and logistics networks, further elevating input cost pressures and downside risk to global growth. Against this challenging backdrop, Voltas continued to demonstrate resilience and progressive financial improvement supported by strong domestic demand fundamentals, structural reforms, and the company's ability to proactively navigate supply chain and operational disruptions.

Despite headwinds, including delayed summer onset in select markets, global supply chain constraints, and currency volatility during Q4 FY26, the company delivered a progressive recovery and continued to maintain leadership in the cooling segment through a combination of resilience-led strategy, customer-centric innovation, and disciplined execution. Over the last year, Voltas has undertaken transformative initiatives across the B2C segment, including a refreshed product portfolio, stronger manufacturing capabilities, enhanced brand investment, sharper consumer communication, and deeper channel engagement. These initiatives are now beginning to deliver tangible outcomes across operational efficiency and brand momentum. The projects business also demonstrated resilience, with stable execution and healthy operational performance, further strengthening Voltas's position as a diversified and a future-ready enterprise. The agency business delivered stable performance in Q4 FY26. While the external environment continues to remain dynamic, management remains firmly focused on sustainable growth, margin resilience,

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disciplined execution, and long-term value creation for shareholders.

A brief on the financial performance: for the quarter ended, consolidated total income was 4,930 crores against 4,847 crores last year same period. PBT was 181 crores against 343 crores same period last year, and net profit was 113 crores versus 236 crores last year. For the year ended March 31, 2026, consolidated total income was 14,483 crores against 15,737 crores last year. PBT was 557 crores versus 1,191 crores last year, and net profit was 377 crores versus 834 crores last year.

A bit of detail on the segments. With regard to Segment A, which is the UCP segment, the segment was primarily driven by the RAC business, where Voltas further strengthened its market leadership position. Voltas continues to deliver a continuous lead over the number two player, reinforcing the company's strong brand equity, extensive distribution reach, and consistent execution strength across markets. FY26 marked a significant transformation phase for the Voltas cooling business. The company undertook a comprehensive refresh of its RAC portfolio with a sharper focus on feature-led, energy-efficient, intelligent cooling technologies and differentiated consumer experiences. Anchored in customer-centric innovation, Voltas launched the summer 2026 portfolio led by the AI-powered Vertis split AC series, which features like AI adaptive cooling, AI geofencing, and AI energy manager, designed for the discerning Indian consumer. This was complemented by the repositioned "Har Ghar Voltas" campaign, which strengthened the brand's emotional connect with Indian consumers while modernizing its appeal for younger and aspirational households.

Alongside product innovation, Voltas accelerated investments across branding, marketing, consumer communication, retail visibility, channel engagement, and financial accessibility to enhance conversion and strengthen market presence across geographies. These transformation initiatives helped Voltas deliver one of the highest-ever sales months in its history during March 2026. Within Segment A, commercial air conditioning delivered strong performance supported by a healthy mix of product and AMC business. Sustained urbanization, infrastructure investments, and rapid growth in digital infrastructure continue to drive a strong pipeline for the CAC business, positioning it for robust long-term growth. Commercial refrigeration also delivered a steady quarter while continuing to focus on institutional sales expansion, channel development, customer diversification, and the introduction of new product line-ups. CAC, CR, and AR continue to play an important role in deepening UCP's diversification and reducing dependence on seasonal room cooling demand.

However, margins during the quarter were impacted by commodity inflation and currency depreciation. These pressures were partially mitigated through a comprehensive cost reduction and value engineering program encompassing improved sourcing, deeper localization, targeted design innovations, and manufacturing efficiency. Recent geopolitical conflicts and war-related disruptions created volatility in raw material availability, logistics, energy costs, and currency markets. Voltas successfully navigated these challenges through a combination of structural preparedness and tactical agility, ensuring uninterrupted production and market servicing. The company now enters the current season with a more clearly defined segmentation strategy, refreshed product mix, sharper premium positioning, and refreshed marketing campaign with new celebrity brand ambassadors tailored for diverse customer segments across geographies.

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At the same time, manufacturing investments undertaken over the last few years are now beginning to deliver tangible operational benefits. The Chennai and Pantnagar manufacturing facilities are currently operating at better utilization levels as compared to previous years. Voltas continues to accelerate investments in factory automation, manufacturing optimization, warehouse rationalization, and integrated inventory planning to further improve responsiveness, supply chain resilience, and cost competitiveness. Together, these initiatives are expected to deliver improved margin realization and reinforce Voltas's leadership across the Indian cooling space.

Voltbek continues to play a strategic role in Voltas's long-term vision of building a scaled and diversified consumer durable platform, with an 8.6% year-to-date market share in the washing machine segment and 6.2% in refrigerators in a sluggish market. Over the last year, Voltbek has accelerated its transformation journey through sharper portfolio premiumization, deeper localization, expanded channel reach, and stronger consumer engagement initiatives aimed at strengthening its position in the highly competitive home appliances market. Continuing with its philosophy of delivering smart technologies, superior cooling performance, and long-lasting durability, Voltbek introduced enhanced product features in the frost-free refrigerator segment with improved energy efficiency, design aesthetics, storage innovation, and consumer convenience features. In the fully automatic segment machine category, the company launched innovation-led product ranges featuring advanced hygiene wash technologies, energy-smart solutions, and differentiated consumer-centric features tailored for evolving Indian consumers.

Alongside product innovation, Voltbek continues to strengthen its brand mix strategy supported by expanded retail presence, deeper channel penetration, enhanced in-store visibility, and stronger consumer engagement across key markets. These initiatives are steadily strengthening brand preference and improving conversion across channels while positioning Voltbek as an increasingly relevant player in the Indian home appliances segment. A key strategic focus during the year has been localization and manufacturing scale-up at the Sanand manufacturing facility. The company continues to deepen localization levels across key product categories, improving sourcing efficiencies and enhanced manufacturing integration to strengthen cost competitiveness and supply chain resilience. Supported by design innovations, calibrated pricing actions, improved sales mix, and ongoing cost optimization initiatives, these efforts are expected to support sustainable margin expansion while building a strong foundation for long-term growth. Going forward, Voltbek remains focused on expanding its energy-efficient and innovation-led product portfolio while steadily scaling its distribution network and strengthening its position as an integral part of Voltas's broader home solutions ecosystem.

Segment B, Electromechanical Projects, continues to play a critical role in strengthening Voltas's portfolio diversification strategy, helping mitigate earnings volatility associated with the seasonal nature of core cooling businesses while reinforcing the company's positioning as a diversified engineering and product solution enterprise. During FY26, the business maintained strong momentum through a sharper focus on execution discipline, selective order booking, working capital management, and profitable growth across both domestic and international operations. The domestic projects business continued to secure strategic orders with an increased focus on fast-track and margin-accretive opportunities across high-growth sectors including electronics manufacturing, industrial infrastructure, data centers, metro, and tunnel projects. These sectors continue to benefit from accelerated investments driven by urbanization, digital infrastructure

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expansion, localization initiatives, and government-led infrastructure development. The business also prioritized timely execution and project delivery across multiple sites, resulting in stronger cash flows, improved execution efficiency, and enhanced profitability. Greater emphasis on project selection, milestone-based monitoring, disciplined receivables management, and tighter operational control continue to strengthen the quality of the order book and improve overall business resilience.

In the international projects business, geopolitical tensions and the Middle East conflict created operational disruptions across travel, logistics, site execution, and commercial settlements. Despite these challenges, Voltas responded with agility and discipline by activating dedicated crisis response teams, implementing employee safety protocols, strengthening travel controls and evacuation readiness, and establishing a rigorous daily monitoring framework covering critical operations, liquidity and collection management, and project execution. These measures enabled the company to effectively mitigate risks while ensuring continuity across key projects and customer engagements. During FY26, the international business also witnessed healthy new order inflows, further strengthening the order pipeline, while improved collections, tighter controls, and disciplined risk management helped reduce overall risk and improve operational stability within the business. As of March 31, 2026, the total carry-forward order book in Segment B stood at close to 6,200 crores, providing strong revenue visibility and reinforcing confidence in the long-term growth opportunities across domestic and international project businesses.

Segment C continues to strengthen the Voltas engineering portfolio through a balanced mix of industrial equipment, aftermarket services, and long-standing customer partnerships, while providing stable and relatively non-seasonal revenue streams for the company. The mining and construction equipment division delivered steady top-line growth during the year, supported by sustained demand for crushing and screening machinery, continuity in operations and maintenance contracts, and stable performance from the Mozambique operations. The business continues to benefit from infrastructure development activities, mining sector demand, and an increased focus on productivity enhancement across construction and material handling applications. Alongside equipment sales, the division continued to strengthen its aftermarket and service annuity business through deeper customer connect, improved life-cycle support, and enhanced service capabilities. A healthy inquiry pipeline, expanding service opportunities, and stable operations across key markets provided improved visibility for future growth while reinforcing the resilience of the business model.

Within the textile machinery division, the business operated in a challenging environment marked by geopolitical uncertainty, supply chain disruptions, rising raw material costs, and cautious capital expenditure sentiment across the sector. Despite near-term market uncertainties, the business demonstrated resilience through steady execution of pending orders, strong after-sales performance, and continued new traction in the post-spinning segment. The division also continues the focus on customer retention, service responsiveness, and strengthening its solutions portfolio to enhance engagement with textile manufacturers across markets. Looking ahead, policy support measures announced under Union Budget 2026 coupled with expansion of the PLI scheme and increased focus on domestic manufacturing are expected to support a gradual recovery of the core spinning categories. At the same time, the business remains focused on accelerating growth in post-spinning solutions, strengthening aftermarket service revenues, and improving operational

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efficiencies to drive sustainable long-term growth.

In terms of the balance sheet and working capital, Voltas continues to maintain a strong and resilient balance sheet, providing the financial flexibility required to navigate a dynamic operating environment while simultaneously supporting strategic growth investments across businesses. The company's disciplined financial management approach, combined with prudent capital allocation and tighter operational control, has enabled it to maintain a healthy liquidity position despite ongoing macroeconomic and geopolitical uncertainties. During Q4 FY26, focused efforts on working capital optimization led to a reduction in working capital borrowings. Net working capital remains tightly managed, supported by disciplined receivables collections, payment optimization, and prudent inventory management.

Inventory levels during the quarter remained moderately elevated, primarily driven by proactive readiness for the peak summer season, strategic stocking for new product launches, and precautionary planning in response to supply chain volatility and geopolitical disruptions. However, the inventory build-up was calibrated and aligned with anticipated demand trends, with gradual normalization expected as seasonal demand momentum strengthens. Overall, the company exited the quarter with a balanced and well-managed working capital profile, reinforcing its ability to support future growth opportunities while maintaining financial resilience and operational agility.

Outlook and strategic direction: in an environment marked by continued geopolitical uncertainties, supply chain volatility, and evolving consumer dynamics, Voltas remains firmly anchored in its strategy of disciplined growth, operational agility, and long-term value creation. Over the last year, the company has undertaken transformative initiatives across its business, including a comprehensive refresh of its product portfolio, expanded manufacturing and localization capabilities, sharper brand positioning and fresh marketing campaigns, deeper channel engagement, and strong execution discipline. These strategic initiatives are now beginning to translate into cost optimizations, operational efficiency, and business resilience.

With the ongoing season, the company remains optimistic about demand trends across product categories, supported by improved consumer sentiment, increasing premiumization, rising urbanization, and continued infrastructure investment. Across the cooling business, Voltas' refreshed RAC portfolio, differentiated product positioning, intelligent cooling technologies, and expanded distribution reach are expected to further strengthen market leadership while driving a more favorable product mix and improved profitability. Voltas continues to strengthen its long-term vision of building a scaled home appliances platform through premiumization, product innovation, deeper localization at the Sanand manufacturing facility, and expanding retail and channel presence across markets. These initiatives are expected to steadily improve brand presence, market penetration, and operating leverage over the medium term.

Within the projects business, the company remains focused on selective order booking, execution excellence, cash flow discipline, and strengthening project profitability across both domestic and international operations. Across businesses, cost optimizations continue to remain a strategic priority with a sustained focus on sourcing efficiencies, design innovation, localization, manufacturing productivity, and operating leverage aimed at protecting margins and improving profitability. Thank you.

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**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 touchstone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to please limit your question to one per participant and 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 Sukrit Patul from Insight Centered Private Limited. Please go ahead.

**Sukrit Patul – Insight Centered Private Limited:** Good evening to the team. I have two questions. My first question to Mr. Menon is, in your point of view, how is Voltas preparing to capture future opportunities in cooling appliances and consumer durables while thoughtfully addressing challenges such as rising competition, import cost pressures, and evolving customer choices? What strategic levers do you see as most important for sustaining growth and being a market leader in the coming quarters? That is the first question. I will ask the second question after this. Thank you very much.

**Management:** Good evening everyone and thank you for joining our call. We look forward to the discussion. To answer your first question on the appliances business, as all of you know, we have a joint venture with a company called Arçelik and the product is called Voltas Beko. What the strength of this partnership provides is that Beko is a world leader in terms of the appliances business. The technology, product portfolio, engineering, supply chain, and manufacturing is what they bring to the table. The Voltas Beko appliances joint venture has all the ingredients of a successful marriage between two large organizations, one on a global scale and one the largest in India. They use our distribution and we use their technology and manufacturing prowess alongside our very strong moat, which is our understanding of the Indian market. That is as far as the durable space is concerned.

Regarding the cooling business, specifically the air conditioning business, we have been a leader in this space for quite some time. The strength of the Voltas brand, coupled with the kind of moat we have with respect to our distribution reach, is phenomenal. I think that is what we continue to leverage. You would have noticed that this year we have launched a series of new products which are more feature-rich. We have introduced a lineup with AI which essentially has features like geofencing, adaptive cooling, and also energy manager. These are features where we are always ahead and we will continue to introduce products that keep us ahead of the curve. This combination of having the right channel with a product that is always ahead of the curve is what will ensure our success. We know current competition is severe; almost 60 brands operate in this space. But what we bring to the table is the Tata trust, plus the fact that our distribution reach is phenomenal. You would have also noticed that we have refreshed our entire marketing campaign this time. We onboarded two celebrity brand ambassadors, Ranbir Kapoor and Neetu Kapoor, and this is helping us in a big way in our journey towards becoming an aspirational brand. We have all the right ingredients to take it forward. Competition will continue and we do not see it receding.

**Sukrit Patul – Insight Centered Private Limited:** Thank you. My second question to Mr. Sridhar is, as Voltas continues to benefit from demand in cooling appliances and home solutions, how are you prioritizing capital allocation between capacity expansion, R&D, and shareholder returns? And what long-term cost efficiencies have been put into place to safeguard margins amid rising input and financial costs? Thank you.

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**Management:** I think as highlighted, Voltas is a fairly diversified business. The capital allocation is done fairly diligently across the segments, while we also constantly look at any capacity enhancements. This predominantly comes in Segment A. We are looking at all three segments together. From a pure capex point of view, Segment A needs periodic investment and we are investing from a capacity and R&D point of view on an ongoing basis. In terms of the profitability angle, our focus is obviously to drive top-line because we feel the headroom for growth within the larger cooling segment and appliances is very high. We want to drive top-line very actively. In the process, we will have the efficiencies of scale where margin absolute would continue to grow on an ongoing basis and give back shareholder value.

Irrespective of geopolitical tensions, Voltas started working on an active cost reduction program almost 9 months back. While some of these programs take time for efficiencies to materialize, we have started seeing some of the benefits. It is also true that some benefits were offset by inflationary measures and the currency impact. The continual program for cost efficiencies is something we are trying to institutionalize.

**Sukrit Patul – Insight Centered Private Limited:** Thank you and best wishes.

**Management:** Thank you.

**Operator:** Thank you. Participants are requested to please limit your question to one per participant. The next question is from the line of Manoj Gori from Equirus Capital. Please go ahead.

**Manoj Gori – Equirus Capital:** Thanks for the opportunity, sir. My question is on the margins. You highlighted reasons like commodity inflation and INR depreciation, but our gross margins have declined by only 85 basis points at the company level. However, the segmental margins show a bigger deterioration. Unitary Products margins are close to 3.2% for FY26 versus 8.4% in FY25. How should we look at margins during FY27 and FY28, given the cost rationalization, design impacts, and better utilization at both facilities? Can you give an outlook and how we should model margins for FY27 and FY28?

**Management:** A very relevant point. The margin dilution in Segment A was predominantly from Q1 and Q2. There was a significant overhang regarding an erratic summer and early monsoons, which caused a stock overhang in the channel. From that point, we are working toward a progressive improvement in absolute margins and profile. Should it get better from the numbers highlighted in FY26? Definitely. But some challenges are structural due to continued issues from the supply chain or currency. We are monitoring this actively and taking corrections in pricing where possible. We want to gradually improve the top-line and margin profile to reach levels closer to FY25.

**Manoj Gori – Equirus Capital:** Sure. One question on the current environment. We are already into mid-summer. How have things progressed during the month of April and May? What is the outlook for the current season at the secondary and primary levels, and how should we look at FY27 as a whole?

**Management:** Compared to the weak summer and unseasonal rains last year, we have seen very positive traction in April, which has continued into May. There is a serious heatwave in many parts of the country. Positive growth is occurring and secondaries are moving fast. While there was a

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table change that happened from January onwards, most brands, including us, started delivering new table products into the channel network starting in March. This involved a price increase of 5–10% in three-star and five-star models. There is further price increase going on because of commodities, but a saving grace is that the GST rate has come down from 28% to 18%. This provides some cushioning against the impact. We are seeing very positive growth this quarter.

**Manoj Gori – Equirus Capital:** Any indication on the blended price hikes that we would have taken so far or on the new models?

**Management:** The first round of increases was 5% for the three-star models, and since three-star is around 70% of the mix, the blended increase was around 7–8% on account of the table change. In addition, there was an impact from copper and commodities going up even before the war started, which added another 1–2%. Last month we took another increase because of the rupee devaluation. The trend is on an upward trajectory, but the GST reduction—which was tantamount to a 7.8% reduction on MRP—was a welcome thing. Otherwise, the affordability issue might have led to a contraction of demand, but we have not seen that at all.

**Operator:** Thank you. The next question is from the line of Natasha Jain from Philip Capital. Please go ahead.

**Natasha Jain – Philip Capital:** Thank you for the opportunity. You mentioned that March has been the strongest month for you. We understand there was a lot of inventory push in March. April, at least until the middle of the month, wasn't the best in terms of heat. You mentioned secondaries picked up well, but we are seeing primaries as still soft. Also, the newer price-hiked inventory is probably not yet passed on to the trade. On that backdrop, how do you see margins in this quarter, and do you think cost escalation might dent demand?

**Management:** You said it correctly. In December, the channel had stocked up heavily on the old table, so January and February sales were a little mellowed. March was a superb month and our record high in our history. April was also extremely buoyant and very close to that number. May is also looking good. When there is a price increase, the first tendency of the channel is to hold back on purchases assuming things will come down. But when secondaries start picking up and they feel there is a slight shortage, they start buying. We are seeing that trend in May; the higher-priced products are now getting absorbed by the channel. We feel this will be a very good quarter.

**Operator:** Thank you. The next question is from the line of Umang Mehta from Kotak Securities. Please go ahead.

**Umang Mehta – Kotak Securities:** My question is on margins. Q4 would have seen some old cost inventory. The bulk of inflation will likely hit in Q1. In that context, what was the impact of the FX losses, which is around 55 crores in the second half? How much hit in Q4? Also, how much was the incremental spend on marketing, and what conviction do we have that margins will improve going forward?

**Management:** On the inventory side, we had opportunities to continue selling old inventory during the first half and consumed it by the first 4–6 weeks of the quarter. After that, we started selling the new inventory. You are right that the cost mix included both old and new during the quarter.

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Regarding the impact, we had rounds of corrections due to inflationary pressures even before the crisis in the Middle East, which then compounded. There were multiple impacts related to currency devaluation in March. We are progressively passing on price increases. It is settling down now. Marketing spend was managed within the overall pool; while we spent on brand ambassadors, it was comparable to our usual spending levels and nothing separate or out of the ordinary.

**Operator:** Thank you. The next question is from the line of Keyur Pandya from ICICI Prudential Life Insurance. Please go ahead.

**Keyur Pandya – ICICI Prudential Life Insurance:** Thank you for the opportunity. On the profitability side, you mentioned a blended 5–6% price hike, but inflation seems higher. Is achieving the FY25 profitability rate more aspirational? How should we see the journey for FY27?

**Management:** The blended increase of 7–8% mentioned earlier was purely on account of new table products. We took another rate increase for commodity prices that rose pre-war. As our old stocks get over, we are watching the pricing. The price increase required is significant. As we and other brands start using materials at new commodity prices, it will be a pass-through. We are talking about double-digit inflation. It will be passed through as costs hit us.

**Keyur Pandya – ICICI Prudential Life Insurance:** Can you go back to FY25 margins in FY27 itself?

**Management:** This is a progressive movement. It will be a gradual step up toward FY25 levels. We are very clear about the quantum of gross margin we generate. Being in a leadership position, we want to keep that as a goal rather than driving just by percentage margins. While secondary market share might show a different picture, our primary market share data shows a gap of 5.1% between us and the next cluster of four brands. That lead will hold us in good stead for overall margin quantum maximization.

**Operator:** Thank you. The next question is from the line of Aditya Bhartia from Investec. Please go ahead.

**Aditya Bhartia – Investec:** Has the increased cost related to the war started hitting us? Have we taken further price increases? Do you think Q4 margins can dip significantly before those increases take effect? Also, why did unallocated costs go up sharply this quarter?

**Management:** This quarter will be a mix of pre-war versus post-war costs. We have passed on certain price increases and are monitoring the situation to pass on more if needed. Our intent is a progressive improvement in top-line and margin profile, not a sharp downturn. The increase in unallocated costs was primarily because of the forex impact and the mark-to-market from the treasury angle.

**Operator:** Thank you. The next question is from the line of Renu Baid from IIFL Capital. Please go ahead.

**Renu Baid – IIFL Capital:** Good evening. Can you quantify the exact price action taken so far? You mentioned a 7–8% hike and a second round; how much more is needed to fill the gap? Second, what was the RAC volume for FY26? Lastly, what is the mix of the MEB order book between domestic and international?

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**Management:** For the new table, we took 5% for three-star and 10% for five-star models, topped up with a 2–3% increase due to copper pricing. The next round will depend on price stabilization, the war situation, and the dollar-rupee movement. We are watching this on a weekly basis. It looks like double-digit numbers are possible, but it depends on when our current commodity stocks run out.

On volume, we did 2.25 million units last year, maintaining a 5.1% gap over the nearest competitors. The order book of 6,200 crores is a healthy mix that will deliver robust profitability.

**Operator:** Thank you. The next question is from the line of Akshay Thakkar from Fidelity. Please go ahead.

**Akshay Thakkar – Fidelity:** On the electromechanical projects business, have any clients called out force majeure? Second, what happens to margins in that segment as commodity prices move up sharply?

**Management:** We have not had any client, international or domestic, apply force majeure. Contractors in Qatar were briefly given the opportunity to use it, but it was revoked and we were not affected. Regarding margins, 40–50% of our domestic and some international order books have proper price variation clauses. Variations in commodities, materials, and labor are pass-through. We do not see an impact on margins there.

**Akshay Thakkar – Fidelity:** On the UCP business, you mentioned you don't expect margin pressure, but margins were 3.5% this year versus 8.5% historically. What level are you referencing when you say you don't expect pressure?

**Management:** The margin profile will gradually inch up toward FY25 levels. Demand plays the biggest role here. High demand drove the good profile in FY25, and poor demand caused the recent pain. Commodity volatility will be equalized across all brands as it is passed through. The variable will be demand. If the war continues and affordability is affected, contraction in demand will make it take longer to inch up. However, the most important variable between brands is who has stocks to service channel partners. We seem much better prepared in terms of inventory to handle peaking demand, which should play a positive role.

**Operator:** Thank you. The next question is from the line of Siddharth Bera from Nomura. Please go ahead.

**Siddharth Bera – Nomura:** What were the AC volumes for the entire FY26 and your thoughts for next year? Can you highlight the contribution of CR and CAC this quarter and whether CR has achieved normal margin levels?

**Management:** The industry had a difficult year last year with a de-growth of roughly 10–12%. Total primary sales for the industry were 14.3 million units. We expect the market to grow 15–20% next year because of the weak base.

Commercial refrigeration (CR) also saw an industry de-growth of roughly 5% because its intensity is tied to summer. Demand for deep freezers and beverage coolers peaks when temperatures are high. This category saw a hit because of unseasonal rains last year, but with a good summer this year, we see growth of at least 10%.

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Commercial air conditioning (CAC) is a B2B business driven by offices, restaurants, and the manufacturing sector, which is growing rapidly in India. The industry will grow by at least 12-15%. We are under-leveraged here, and it represents a huge headroom for growth. Much of our capex is going into CAC, as it is likely to be our next growth engine alongside RAC and CR.

**Operator:** Thank you. The next question is from the line of Praveen Sahai from Prabhudas Lilladher. Please go ahead.

**Praveen Sahai – Prabhudas Lilladher:** How is the channel inventory in RAC right now? Also, out of the 6,200 crore order book, what is the domestic contribution? Finally, what is the utilization level of the Chennai facility?

**Management:** Channel inventory has dropped dramatically to less than 45 days, probably closer to 30 days. Out of the 6,200 crore order book, 4,500 crores is domestic. The Chennai factory now has a capacity of 1.5 million units, producing roughly 1.2 lakh machines a month. We increased capacity from 1 million last year to 1.5 million. We built the factory for 2 million total capacity and will only need small capex to move from 1.5 million to 2 million when the demand trajectory is visible.

**Operator:** Thank you. Ladies and gentlemen, due to time constraints, that was the last question for today. I now hand the conference over to management for closing comments.

**Management:** Thank you for all your questions. To summarize, Voltas remains encouraged by the strong momentum across its businesses and opportunities in cooling, home appliances, engineering products, and services. We have completed a structural transformation across business verticals, product portfolios, channel expansion, and cost optimization. This will help Voltas strengthen its leadership in the cooling segment as we evolve into a scaled, future-ready home appliances and engineering solutions enterprise. Thank you all for the discussion.

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