

Crompton

Crompton Greaves Consumer Electricals Limited

Registered & Corporate Office:

05GBD, Godrej Business District, Pirojshanagar,

Vikhroli (West), Mumbai 400079. India

Tel: +91 7304575254

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

Email: crompton.investorrelations@crompton.co.in

Date: May 19, 2026

| | |
|---|--|
| To, BSE Limited ("BSE"), Corporate Relationship Department, 2 nd Floor, New Trading Ring, P.J. Towers, Dalal Street, Mumbai – 400 001. | To, National Stock Exchange of India Limited ("NSE"), "Exchange Plaza", 5 th Floor, Plot No. C/1, G Block, Bandra- Kurla Complex Bandra (East), Mumbai – 400 051. |
| BSE Scrip Code: 539876 | NSE Symbol: CROMPTON |
| ISIN: INE299U01018 | ISIN: INE299U01018 |
| Our Reference: 25/2026-27 | Our Reference: 25/2026-27 |

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 May 05, 2026, and May 13, 2026, regarding the Earnings Call on the Audited Financial Results for the quarter and financial year ended March 31, 2026, held on May 13, 2026, please find enclosed herewith the transcript of the same.

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

Thanking you,

For **Crompton Greaves Consumer Electricals Limited**

Kaleeswaran Arunachalam
Chief Financial Officer

Encl: A/a

Crompton

“Crompton Greaves Consumer Electricals Limited Q4 FY26 Earnings Conference Call”

May 13, 2026

Crompton

Aventus[^]



MANAGEMENT: **MR. PROMEET GHOSH – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER – CROMPTON GREAVES
CONSUMER ELECTRICALS LIMITED**
**MR. KALEESWARAN ARUNACHALAM – CHIEF
FINANCIAL OFFICER – CROMPTON GREAVES
CONSUMER ELECTRICALS LIMITED**
**Ms. SWETHA SAGAR – CHIEF BUSINESS OFFICER –
BUTTERFLY GANDHIMATHI APPLIANCES LIMITED**
**MR. RAJAT CHOPRA – BUSINESS HEAD, HOME
ELECTRICALS & PUMPS – CROMPTON GREAVES
CONSUMER ELECTRICALS LIMITED**
**MR. SHALEEN NAYAK – BUSINESS HEAD, LIGHTING,
SOLAR ROOFTOP AND WIRES – CROMPTON GREAVES
CONSUMER ELECTRICALS LIMITED**
**MR. RUCHIR JAIN – HEAD, INVESTOR RELATIONS,
CORPORATE STRATEGY AND FP&A – CROMPTON
GREAVES CONSUMER ELECTRICALS LIMITED**

MODERATOR: **MR. RAVI SWAMINATHAN – AVENDUS SPARK
INSTITUTIONAL EQUITIES**

Moderator: Ladies and gentlemen, good day and welcome to the Crompton Greaves Consumer Electricals Limited FY26 Earnings Call hosted by Avendus Spark. As a reminder, all participant lines will remain in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Please note that this conference is being recorded.

I would now like to hand the conference call over to Mr. Ravi Swaminathan from Avendus Spark. Thank you and over to you.

Ravi Swaminathan: Hello, everyone. On behalf of Avendus Spark, welcome to Crompton Greaves Consumer Electricals Limited Q4 FY26 Earnings Call. From the management today, we have with us: Mr. Promeet Ghosh, Managing Director and CEO; Mr. Kaleeswaran Arunachalam, Chief Financial Officer; Ms. Swetha Sagar, Chief Business Officer, Butterfly Gandhimathi; Mr. Rajat Chopra, Business Head, Home Electricals; Mr. Shaleen Nayak, Business Head, Lighting, Solar Rooftop and Wires; and Mr. Ruchir Jain, Head, Investor Relations, Corporate Strategy and FP&A.

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

Promeet Ghosh: Ladies and gentlemen, great to have you back with us for discussing not only the quarterly results, but also what we've achieved this past year. It's actually quite an exciting time for us. Lots and lots of things happening, some of which are being announced today. So, I'm sure we'll have a lively conference call today.

Very quickly let me introduce some familiar faces and some not so familiar faces. Swetha, I'm sure you know, Ruchir looks after Investor Relations, Corporate Strategy and FP&A at Crompton; Kaleesh, the CFO, who you know again; and Rajat and Shaleen, Business Unit leaders and Senior Leaders at Crompton; and Rishabh Jain, who's looking after Investor Relations for us and also a new hire.

So, I'll kick that off very quickly. I assume that you guys have seen the press release and the also the investor presentation that we've put out. Let me very quickly take you through the highlights of this quarter and then we jump straight into questions and answers. As you all know, FY26 was a year which has been very demanding, shaped by muted demand coming out of seasonal - - frankly, unseasonal weather patterns and towards the end –we felt some geopolitical action as well.

From an external point of view, there were various headwinds that businesses faced. However, I'm very delighted to say that our execution remained very steadfast throughout this year and as we progressed through the year, quarter after quarter after quarter we improved our performance, pulling back from some of the effects that we were being forced to deal with.

And as you can see, the results of this quarter are very indicative of how we've managed to deal with the challenges that have been thrown our way. A very robust second half. The second half was a little bit of the festive season. Some small parts of our business benefited from GST 2.0. But most importantly for us, this quarter was the first quarter after the BEE 2.0 regulatory transition in our fans business, which went off quite well for us.

While in Q3 both ECD and lighting gained significant momentum, I'm glad to report that that momentum was more than maintained in Q4. For the first time, for instance, in 6 years outside of COVID impacted quarters, which tended to have widely varying growth rates, in the last 6 years, the kind of growth that we've reported in lighting, this is the best.

So, this is a quarter where we've been very focused on margin discipline. Our EBIT margins improved from 6.8% in H1 to exit at about 10% in Q4. This was driven by operating leverage, premiumization and actually very concerted pricing actions. We can talk about that in greater detail if you like and of course supplemented by sustained cost optimization.

You will also notice that the process that we started a couple of years ago of really cleaning out our table, that process has been taken one step forward. Even as we have significantly improved the performance of our Butterfly business, it is back now to growing in strong double digits not only on revenue, but also in profits.

We also thought it was a good time to look at the carrying cost of Butterfly and as you would know this, we've taken an impairment on our Butterfly holding value. This really aligns with the business value of the company and also obviously it doesn't have any impact on the cash flows of the company or any other part of the business.

So now that we have spent a whole lot of effort under the management of Swetha getting our arms around the business, this is a year when we've now also completed a whole lot of strategic actions. At the end of the year, we've also decided to take an impairment on the Butterfly value. This of course does have an impact on ROCE and asset turnover, which I'm sure you are well aware of.

Turning to the quarterly performance, Q4 stood with sharp recovery across segments. Consolidated revenue grew by 11% Y-o-Y to RS. Rs.2,283 Cr led by a 10% growth in ECD and, like I said, the industry-leading growth of 14% in lighting. Like I said, not growth that we've seen for a very, very long time outside of disruptions. ECD saw a broad-based growth driven by pumps as well as by small domestic appliances and fans.

Fans had robust traction with record volumes in 2026 March supported by our foray and emphasis on BLDC. Our BLDC portfolio, which has been bolstered by product introductions earlier in the year is now growing at 30%-plus. And a spate of new BLDC products was, in fact, introduced during this quarter, the benefit of which we are already beginning to see in this quarter.

Within SDA, this was a story of not only mixer grinders, but a range of new product introductions. Earlier in the year, we introduced infrared cooktops, which of course benefited in the last quarter. We also introduced air fryers, we also introduced a range of high-end juicers, etc. All of which have helped this business grow at even stronger numbers than it has been growing in the past.

But more importantly, along with the strong growth numbers which, from time to time, we have been talking about, this business is also now benefiting from scale, and this is something that we had flagged. This is a material business.

Kitchen overall is an area that we've been talking about, and it has been a key area of focus for Crompton. So firstly, we spent a lot of time and effort in turning around the Butterfly business, bringing it to an even keel and now it's been taking off in the last several quarters.

Now similarly in the SDA business, I have no hesitation in saying that this business is probably the fastest-growing kitchen appliance business in the country of a comparable size with maybe smaller companies. But this company has been -- this business is arguably the fastest. It picked up further pace in the last quarter, but it combined that growth with profitability improvements.

So, there was a significant jump in the profitability, infact a step jump, in the profitability that we saw in our small domestic appliance business. In LDA, which is the large domestic appliance business, which is the water heater and air cooler business, we saw double-digit growth in water heaters. And market share growth and gains both in water heaters as well as in air coolers.

We've been among the Top 2, Top 3 players in India in water heaters in GT for the longest time. Now we are number 2 player is our understanding. So, as with various other parts of the business, we are gaining market share.

Importantly, as we had flagged earlier, we entered two very big type businesses last quarter. One of them was wires, the other was solar rooftops. And this was after having gestated these businesses internally for several quarters. These products are now actually available in the market. So shortly after we announced, we started selling these products. There are a number of houses where we have already installed rooftop solar, bought about 1,000, Shaleen?

Shaleen Nayak: If you count Telangana, it'll be more than 5,000.

Promeet Ghosh: 5,000, okay.

Shaleen Nayak: Andhra has already crossed 2,500.

Promeet Ghosh: Okay. All right. So, there you have it. And that's changing by the day because a large number of them are coming up on a daily basis. So about 5,000 homes now already have rooftops coming out of the Crompton stable and that's after we really stepped-up execution of this product in the last 2-3 months.

–Now coming to lighting. Lighting comprises 2 segments, B2B and B2C. The performance is equally strong in both the segments. industry-leading growth of 14% overall.

Butterfly business delivered a 17% revenue growth together with steady EBIT margins. with not only steady EBIT margins, but also putting incremental dollars back into advertising, which is the way that we wanted to build the business. So that's how the Butterfly business is doing.

Consolidated EBITDA in Q4 at Rs. 271 Cr with margins of 11.9%. Wires, I'm sure you've seen the ads. Crompton Armor is the brand that we are going with in wires and it's now available in South India and soon to be available in other parts of the country.

And by the way in Butterfly apart from the fact that growth is robust, profitability is robust, cash flows are also robust. So, as you will see, Butterfly and Crompton are now both strongly net

cash positive. Crompton, of course, always has been net cash positive for a long time. But now even Butterfly with about Rs 170 Cr of cash, is cash flow positive as well. Yes, that's the summary.

And the Board has decided to announce a dividend -- identical dividend as last year. And Kaleesh is reminding me that there's another announcement that's just happened. We are very delighted to announce that a new product line has been created in Crompton called 'Crompton Rhion'. This PL is tasked with introducing super premium products from the Crompton stable.

Most of these are cutting-edge technology and the next generation of design. As you will be aware, we've been investing heavily into innovation and design over some years. So, this is the result of the investment that we've been making in innovation and design over the last 3 or 4 years. So, you will, I hope, begin to see this new range of products soon in the market.

And what we are also doing is that we have a Large Kitchen Appliance business. This large kitchen appliance business is being folded into Rhion and Swetha is taking on the additional responsibility of leading the Rhion PL as well.

But for now, I leave the floor open to be asked questions.

Moderator: Thank you very much. We'll take our first question from Aditya Bhartia from Investec.

Aditya Bhartia: My first question is on the kind of cost inflation that we are seeing. We understand that there have been sharp price increases that have also been taken. So just want to see the connect between the kind of cost inflation that we have seen and the kind of price increases that we have taken and what's really going to be the strategy around that? Do you think that we have largely passed on the kind of inflation that we were seeing in the last few months?

Promeet Ghosh: Yes, very fair point and maybe I should have talked about that little bit. And this is something that we are acutely aware of and watching very carefully. Because of the war, there have been cost inflation as well as availability issues in several of our products.

So far, we have largely managed this by, managing cost, but also passing on price increases into the market. So, in the last year since the war was launched, we have passed on two price increases into the market, in our ECD business, and frankly, those price increases have been ahead of competition.

I am hoping that competition, rather than playing the pricing game, will now also start to see that the impact of the war is not going to go away anytime soon. So that remains a concern, and frankly, we have a war room which is dealing with this on almost a weekly basis, if not a daily basis.

So, I know I should have talked at some more length about it. But it's something that is impacting us, as well as everybody in the market. And while we are trying to behave like the industry leaders, that we are passing on price increases, we'll have to wait and see how that evolves into the market.

Aditya Bhartia: Sure. Any numbers that you can put to it? What kind of cost inflation would we have seen? And these two price increases cumulatively, how much would they account for?

Kaleeswaran A.: So, if you look at it for Q4 or even cumulative for last year, we've taken about 7% to 8% price increase in our lead category like fans. A large part of that coming in Q4, by and large, offsetting the material cost inflation that we had. But subsequently, we are seeing further material cost inflation happening in April.

A large part of that, we have tried to offset through pricing combined with some cost activities also, that we have taken as part of Unnati. Some of these benefits could be back ended, but it will also help us to ensure that the margin rate comes back as we move forward.

Near-term, we are waiting and watching. We are keen on maximizing the demand. Summer is starting well means that we are entering the quarter well. So, we just want to maximize that and take a call, as we move forward on what is to be done for balance of Q1 and Q2.

Moderator: We take our next question from Dhruv Jain from Ambit Capital.

Dhruv Jain: Congrats on a good set of numbers. I had two questions. So, one you've spoken a lot with respect to the solar ramp-up in the past and you also wrote in the presentation that you've seen a reasonable amount of growth in solar pumps.

So, what's the kind of contribution that this portfolio's had in FY26? And in terms of ramp-up, just wanted to understand in FY27 what sort of the ballpark kind of contribution do you expect from this portfolio will be for your overall top line?

Promeet Ghosh: Okay. So first of all, the way that we deal with the solar business is in two parts and they sit in separate PLs within the company. The back end is integrated, but the front end is not. So, we have solar pumps and we have solar rooftops.

Solar pumps, if you recall, we started with a Rs. 20 Cr revenue 3 years ago, then it doubled to Rs. 200 Cr. And this year, I don't know if we are disclosing, but significant growth over that Rs. 200 Cr, very significant growth over that growth last year. So that business has grown by, fair to say, leaps and bounds.

Insofar as the solar rooftop business is concerned, which we've started more recently, it's fair to say that this is something that we've disclosed. The solar rooftop business when we started, we quickly managed to increase our order book to order of magnitude about Rs. 500 Cr. And we are in the process of executing solar rooftops, out of which, as you heard, we have already executed about 5,000 homes.

As we've disclosed in the past, that 5,000 -- the order book comprised about 38,000 units in Andhra and some more in Telangana. So, as you can see, that business is starting from 0 and the order book needs to be completed reasonably quickly. So that should give you a sense of how that business is doing. I don't know if that answers your question.

Dhruv Jain: No, no. Thanks a lot. I think this is useful. The second question is on lighting. So, while you've had a reasonable top line growth -- a good top line growth in this quarter, but we've seen some dip in margin. So, what explains that? And incrementally, how should we look at this business going forward?

Do you think that this kind of growth that you've seen in this quarter, if not in the same range, is the worst over? I'd rather ask that question in that business and we should start to see a reasonable top line growth there?

Promeet Ghosh: Okay. So let me answer the question, Kaleesh. See, insofar as the lighting business is concerned, this used to be a business that, as you will recall, there used to be perennial concerns over both growth, profit etc.

We have, I think it's fair to say, made a very concerted effort over the last 3 years to fundamentally change the trajectory of our lighting business. And what you're seeing now is the benefits of that changed trajectory.

So, there are a few things that have happened very, very succinctly, there are a few things that have happened in the lighting business, which comprises 2 parts, B2B and B2C. In the B2B business, we have changed the kind of contracts that we used to take on. So, a large share of our contracts in B2B used to be government related.

I can tell you that the share of government-related contracts has declined. As a part of the mix, it's declined by nearly 500 basis points last year. So, they are not only less government focused, but also higher margin. So, for instance, we've stepped up materially our share of indoor commercial, which we didn't do earlier. So that's things that we are doing in B2B.

In B2C, the product mix has changed hugely. We used to be a Lamps and Battens company. Now we are actually a Panels and a Lamps and Battens company together with a range of other products like flood lights and so on and so forth, which not only are higher unit price ASP, but also higher margin.

But underpinning all of this, we have also changed dramatically our supply chain in lighting. So last year, you saw the benefits come through of, first of all, our fully restructuring of lighting unit that we used to have in Baddi and restructuring of our unit in Baroda. So, during the year, we talked about clearing the deck, if you remember.

So, this was another clearing the deck, that we did earlier in the year, where we reset the cost, we gave VRS to a whole bunch of people and now the cost structure and the way business is done in Baroda is very different.

Now that is, obviously also, helping us compete in the market. So earlier, if you remember, the constant discussion about Crompton was, is there going to be a constant price erosion in our lighting business. Now I think we've managed to address those issues. We are growing strongly in the teens now and we also have robust profitability.

Insofar as margins are concerned, I must tell you, we are now supplementing our profitability with more money back in the brand. So, in lighting, for instance, these margins have been realized after a stepped-up investment in the brand.

Again, I hope this is nothing new to anybody because I've been telling people that this is what we'll do, fix the supply chain, fix the product range and continue to invest in the brand. So that's kind of -- actually if you look at year-on-year, the margin is roughly the same and that's after a materially higher investment in ad spends during this quarter.

Moderator: Next question is from Indrajit Agarwal from CLSA.

Indrajit Agarwal: I have two questions. First, on the new segment, the Rhion premium part. So, what is the sourcing strategy and which product segments would be present in here? Would it be more in-house or outsourced?

Promeet Ghosh: Well, Indrajit, if you will, leave this with us for a little bit. I don't want to -- I'm just announcing the plan now and the creation of the PL. What I can tell you is that the products that are coming out of Rhion are products that we have been developing over a period of time in our innovation centre.

They'll either be distinctive looking or cutting-edge technology or both. So, I think, the good news is that we've made considerable progress in this area and in course of time, there will be products that will come in this segment, which come out of different parts of our PLs as well.

Some PLs that may not exist in Crompton today, but many of these products will be ones that -- for which we have existing product lines, in obviously with distinctive technology has. I can't tell you more just now, Indrajit.

Indrajit Agarwal: Sure. Thank you. My second question is on the new segments that are already operational that is solar pump, solar rooftop and wires. So, what kind of top line we could estimate in the next couple of years? And is the margin broadly similar to the erstwhile ECD segment or materially different from what we have over there?

Promeet Ghosh: I already told you about new segments. I gave you a sense of the kind of order book that we have in solar rooftop. Solar pumps, we've given you a sense of the kind of trajectory that's been there. We'll see how that trajectory evolves, but we've given you a sense. And wires is something that we've started selling in the market just now.

I would not speculate so much, and if you don't mind, we'll not talk about what kind of revenues will come in each one of these businesses. But I do want to say this that, the ROCE in these businesses is strong and that is because Crompton has a right to win.

We don't enter a business unless we believe that we have a right to win. So, the ROCE in these businesses is strong. And generally speaking, as you would have seen when we entered solar pumps, we are quite frugal in the way that we enter these businesses. So, profit margins at an EBIT level -- because they have different structures, at an EBIT level, especially after the ramp up a little bit, are pretty robust.

Moderator: Next question is from Achal Lohade from Nuvama Institutional Equities.

Achal Lohade: Sir, for FY26, if you could give us some sense. We've had 1% growth in ECD. If you could call out, if possible, the category-wise growth. If not, at least which categories have delivered growth, and which have seen pain? If you could just quantify for FY26?

Promeet Ghosh: Sorry your math and our math is slightly different, I think. So maybe what you can do is have a conversation with Kaleesh separately, but the growth is not 1%. So, while you have an offline conversation what I can tell you is that in the ECD business across every product, we have gained share and these numbers that I'm sure are easily available to you from Market Pulse etc.

So, the strongest growth in ECD has come from SDA where, as we've said before, the growth for the year is early 20%, last quarter close to 30% growth. Insofar as our fans business is concerned, it also grew. The growth of that business has been -- like I said, in our fans business, we've grown market share maybe not a lot, but kind of we've still grown.

But the big gain for Crompton has been that we wanted to step up our BLDC product range. And last year, we introduced NITEO and at the end of the year, we introduced Grace and Elevate, apart from the smart range of other BLDC fans including Fluidio and SilentPro. So, I think, it should give you a sense that the BLDC range growth has, as a consequence, stepped up significantly.

It's a product that, anyway, was growing fast and there we are growing faster than the market. So, I think I gave you a hint earlier that the BLDC range for instance has been growing at about 30% plus.

Now insofar as Pumps is concerned, the Residential pumps and Agricultural and Speciality pumps. I gave you a sense of the last one Solar Pumps I've already told you that it's grown very strongly last year. I think it's fair to say that it's doubled. It's also a year in which because of heavy rains, the industry demand for pumps was quite tepid, Residential pumps was quite tepid. So, I'd say we kind of broadly maintained our market share in Residential.

But insofar as Agricultural is concerned, where we are not market leaders and our aspiration has been that we will step up our growth in Agricultural and Speciality, we did some product interventions during the year. As a consequence, they have grown in the teens. Is that a fair number?

Okay. So, Rajat is telling me that while the growth -- industry growth was, frankly, very tepid, we also gained market share in Residential. And we did, of course, might gain market share in Agricultural and which, by the way, were areas that other people de-grew materially. We grew in the teens. Am I missing any ECD segment?

LDA, again not a great year for LDA at all because, as you know, summer was very tepid. There was heavy rain. So again, we've gained market share. Now, as I said earlier, in water heaters, we are the second largest player in GT. Air coolers, we and most of the market were stuck with heavy inventories because they did not sell in early part of the year, which is really the season.

This season I think, it's fair to say that, we've liquidated those and I think marginally gained market share. I think marginally we would have gained market share in air coolers. Does that answer your question?

Achal Lohade: Yes, yes, comprehensively. Just a clarification. Sorry, I'm harping on this. I'm looking at the consolidated segment-wise revenue breakup.

Promeet Ghosh: Why don't you have a chat with Kaleesh?

Achal Lohade: Certainly. And if you could also -- this is my second question with respect to margins. How do we see given the new categories, R&D, A&P investments, everything put together, how do you see the margin trajectory over the next couple of years? Do you see it going back to the historical levels or do you think the improvement will be more gradual?

Promeet Ghosh: See, for margins in the near-term, obviously, everybody is kind of struggling with the fact, that there has been a sharp increase in input costs, which we are trying to address by passing on the cost to the consumer. I'm hoping that the rest of the market also follows, but we'll see. Over a period of time, as the turbulence that we are hoping is episodic because of the war, as that settles down, I think margin should go back up.

What speed they will go back up I cannot tell you. But the stepped-up investments are already in the book. So, including capex and opex, as I've said to you guys earlier, for a company of our size, we are spending annually about Rs. 100 Cr in R&D and innovation, which is why, we are also able to come up with some of the products in the super premium range as well.

So, look lots of these investments are already in the book and already ongoing investments. So, brand investments, last year for instance, Butterfly relaunched its entire range and you will see similar things happening across the product portfolio.

A consistent theme in Crompton, not for the last 3 years, but for the last 10-12 years has been premiumization. Now what you're really seeing is premiumization in individual products. Also, premiumization not only bottom up, but top down.

So, as you introduce a premium -- super-premium range of products, that obviously showcases the kind of capability that Crompton has, in terms of product development, in terms of design, etc, etc. All of this, we are hoping, will help towards improving the brand positioning of Crompton going forward. I don't know if I answered much more than you asked for, but sorry, there you have it.

Moderator: Next question is from Aniruddha Joshi from ICICI Securities.

Aniruddha Joshi: Good set of numbers. Sir, two questions. On Butterfly, now we have taken a big write-off so what is the tax break, first of all, available on that? And earlier the thought process was to merge Butterfly with Crompton. So, any change in plans or any further update on that? That is question number one.

And question number two, when do we see the national rollout for the wires happening? Currently it is rolled out in 2 states. So how do you see the national rollout happening? Any plans or whether it will be rolled out completely in next 6 months or it will be a gradual launch or we will play it in certain markets only being a new player? So, what will be the strategy on that? That is question number two.

And last, from July we are going to see BEE norms getting implemented in geysers or water heaters also. So, what will be the cost increases plan and how do you see the readiness of industry as well as Crompton? Also is there any plan to see or any possibility to gain market share in water heaters also? Yes, thanks. Thanks, sir.

Promeet Ghosh:

I don't know if there's 5 questions or 4 questions, but I lost somewhere along the way, Aniruddha. Okay. So, tax benefit, I'll come to you, Kaleesh. This is not driven by tax. The write-down of Butterfly valuation -- Butterfly value has nothing to do with our plans to merge the companies. So, in fact, this certainly does not delay or adversely impact any merger that we may have.

At the right time, definitely that is on the cards and that is something that we have announced in the past also. So, in fact if anything, what you can see is how much focus and effort has been put into taking -- first of all, clearing the decks again in Butterfly, where we actually took some losses, wrote off lots of stuff and reset the terms of trade and built it back to what is a very robust business.

So, Butterfly and kitchen is a hugely important area and an area that we expect to get significant growth in. Like I said already, close to 30% growth in SDA, which is the Crompton kitchen appliances and the public and you already know what the Butterfly growth is. So, no questions about that. Insofar as the rollout in wires and insofar as the BEE, I'll let Shaleen and Rajat answer quickly. Yes, right.

Shaleen Nayak:

So, I'll go first, if that's all right. Yes, I think as you very correctly put it, the launch did start with Tamil Nadu and Karnataka. We will ramp up throughout the country. It will not be spread over the entire year, and we will not restrict our distribution to select towns or cities but seek to leverage the maximum extent of Crompton distribution that we have nationwide.

Rajat Chopra:

As per our preparedness for the BEE for water heaters are concerned, I think we are fully prepared. We have already done the required changes in the product category. In terms of cost, there will be some changes, but that we are planning to mitigate and also maybe pass on to the market, but that call we'll take eventually when the time comes.

Promeet Ghosh:

Kaleesh, you want to say anything?

Kaleeswaran A.:

No, there's no tax angle at all on that.

Aniruddha Joshi:

Sorry, sir, I missed the tax angle?

Kaleeswaran A.:

We are saying there is no tax impact on account of this, Aniruddha. This is not a decision that is taken from a tax perspective. Just to clarify, this is not a write-off. This is an impairment that

has been done in line with the accounting practice. So, this is a test of value of an asset. From an accounting perspective, this has been recognized.

Moderator: Next question is from Pulkit Patni from Goldman Sachs.

Pulkit Patni: Would it be possible to share the breakdown of the ECD segment especially the broad breakdown?

Promeet Ghosh: I'm sorry, we don't really break that down. That's not something that we've been doing historically.

Pulkit Patni: Sir, given the fact that, we've got more segments getting added, it's just useful for us to be able to understand, what's the contribution from new segments versus growth in the existing ones. So, if there's any way you can share it?

Promeet Ghosh: Which new segment?

Pulkit Patni: I'm talking about, for example, rooftop solar, which is ramping up.

Promeet Ghosh: Rooftop, I gave you a sense of. So, I gave you a sense of where it is rapidly ramping up, rooftop solar. So, both are -- I mean, of course, solar pumps have already ramped up, which I think we've given you some sense of what the solar pumps business is doing. I have already given you a sense of how much the solar rooftop business is doing.

There is a minimal impact of this last year, but a significant ramp-up as we speak. And both the latest segments that we've introduced, I must say are very robust and we are encouraging growth in both of these segments. But I don't know what we can share more than that in a separate conversation.

Kaleeswaran A.: We don't typically share, Pulkit. I think today we have 3 segments as lighting, Butterfly and ECD. And within ECD, we see largely the growth opportunities are across the segments. As and when solar becomes a meaningful business, to the size at which we are operating a lighting or a Butterfly for us to materially impact the results, we'll start calling that out separately.

And considering the fact that, we have been reasonably giving clarity what is the order book that we hold or order book that we execute on solar rooftop and solar pumps, that gives us a fair idea of what the pipeline is. Outside that, we have already called out our aspiration in solar as a portfolio that we want to build a Rs. 1,500 Cr business in the next 3-4 years is where the journey is. So that's a separate thing outside this.

Promeet Ghosh: Actually, I said, Kaleesh, to be fair, I said we want to -- sorry guys, but you guys must remember. I didn't say Rs. 1,500 Cr, I said Rs. 2,000 Cr.

Moderator: Next question is from Natasha Jain from PhillipCapital.

Natasha Jain: Just one question. So, when we go on the ground, we're just hearing initial signs of stress in terms of payments being delayed, say, from the last leg of the value chain meaning the contractors, builders, etcetera and therefore, the stress is being seen slightly in the entire value

chain. So, I would want to know if this observation is correct. And on that similar line, would want to also know if we do any kind of channel financing? Thank you.

Kaleeswaran A.: First to start with, Natasha, I think one of the strongest points of our business metrics and financial metrics is cash flow generation. And you would have seen that it continues to generate a good amount of cash, even in FY26 crossing Rs. 500 Cr. Second is in terms of how we are looking at the overall value chain on collections, our debtors in traditional trade, kind of remain the same.

There is no major change compared to last year to this year. In terms of solar pumps, which is the business that we do with government, the collections are moving in line with what is our expectation that we have with all the contractors with a very good ROCE coming in. So, we don't see any specific challenge in the categories that we operate in at this point of time.

Promeet Ghosh: And I'm not quite sure, Natasha, which part of the value chain you're referring to when you say builders. Builders and contractors, I suppose, our exposure there is relatively small. So perhaps that is not something that we've so far seen. It's always possible that it will spread. But at least so far, I'm sure it's building up, but we haven't seen so much of it is what I'm saying.

Moderator: Next question is from Muskan Agarwal from Svan Investments.

Muskan Agarwal: I just want to know like for the Rhion that has been launched, what will be our go-to-market strategy for this one?

Promeet Ghosh: Please give us a little bit of time, we will come back. And as we launch products, we will flesh this out and tell you. As you can imagine, when you launch more premium products, the business that the premium segment go-to-market comprises EBOs, MBOs, large format retail, e-commerce at a very broad level, Swetha?

Swetha Sagar: Yes.

Promeet Ghosh: So, you can expect that, we would have a similar strategy for. The good news is that we had invested -- the business itself was not very large scale, which I think will change going forward. We had invested in building out an EBO platform for our LKA business. So, I would suspect that, that's something that the Rhion brand would be able to significantly leverage off.

Now, insofar as large format retail is concerned, which is really MBOs and these chain stores, I must tell you that, it is something that Butterfly and at Crompton, we have been investing in growing quite heavily. So, if I'm not mistaken, the fastest-growing channel for Butterfly last year was the large format retail.

So again, we've been building up the capability in-house of being able to introduce the kind of high premium products that Rhion will introduce. So, I don't know if that answers your question, but this is broadly the way that it will go.

It will also be supplemented of course with GT, but the share of MBOs, EBOs, LFR, e-commerce tends to be higher in premium products. We already have order of magnitude about 70 EBOs, which are running in the country.

Moderator: Next question is from Rachna Kukreja from SIMPL.

Rachna Kukreja: I have two questions. My first question is related to the kitchen industry and Butterfly. See in ECD industry, gross margins have seen slight pressures due to raw material inflation. So similarly in kitchen appliances segment as well for Butterfly, are we seeing similar pressures on gross margins and would this continue in the near long term as well? What has been the impact on consumer demand? And are we passing on the cost increases fully or absorbing some cost in Butterfly as well as in kitchen as a whole?

Promeet Ghosh: Maybe I'll kick off and then you add, Swetha. Cost increases are across the board. All products are facing cost increases. If there is a petrol price hike, I think, those cost increases will further be added. So, it is not unique to any product range. It may be in different measures, but there are cost increases that are coming and happening. The kitchen is no outlier.

In kitchen, as well, it is inevitable that we add on -- pass on these cost increases to the consumer. The extent that we are able to pass on these cost increases, of course, depends on two things. One, whether the consumer is willing to pay; and two, whether your competitors are doing the same or taking a large share of this on their own books?

Now as we have said before, our approach as leaders of the industry and even in kitchen appliances, by the way, we are the second largest in the industry. Between Crompton and Butterfly, we have a very large operation. Our preference has been to pass on price increases. We haven't necessarily always seen so far, some of our competitors follow. Having said that, we probably think that they will.

Now there's another aspect of whether the consumer is willing to pay or not. Now there are two aspects of this and specifically I'll leave the question to Swetha. But remember that many of our products are only partially discretionary. So, if you need a fan, you need a fan. You can't go and settle for something else. If your mixer grinder has conked out, you need a mixer grinder. You may downgrade a little bit, but you cannot do without the product.

The flip of this is, the people who are buying it because they don't need it are anyway people who can afford to pay. So, what typically tends to happen is that when prices go up, there's a sticker shock. So, the first time he comes into the store, he will say this was available at Rs. 2,000, now you're giving it to me for Rs. 2,200. Sorry, I will not buy. He will go away.

Then in 2-3 days he'll realize Rs. 2,200 is not coming down, it is only going up, then he'll come and buy. This is the way that consumer behaviour works. Swetha, you want to add? So, you've also taken price increases in Butterfly, again similar price increases as Crompton ECD has taken.

Rachna Kukreja: Okay. Understood. One more question. Our idea was to leverage Crompton's distribution network to expand Butterfly's business in non-South markets and we had also opened warehouses in these regions. Now it has been almost a year, could you provide some quantitative

colour on how Butterfly's business has scaled in non-South markets and what would be the benefit of leveraging Crompton's distribution network?

Promeet Ghosh:

Yes. Two things. One is that as I said earlier, our focus on Butterfly has first been strengthen the core and really the effort of the last one and half years has exactly been this. We are not to forget that we are a leading player in kitchen appliances in South India and that is where a bulk of our cash flows, our profitability, our brand recognition comes from.

And we focus, a hell of, a lot on getting that back on track and really getting back to a trajectory to a point where now we are gaining share across the board there, in the South. I would say that this is something that we are considerably advanced in. In the coming year, the focus will be on gaining traction in Butterfly, in other parts of the country, in North-East-West (NEW), so to say and I think from time to time we'll come back and keep you posted about how that is going.

There are various parts of Crompton which Butterfly will leverage out of, things like a huge service network, the fact that Crompton is a broadly very, very well-known brand and so on and so forth. And what we would do in Butterfly is that we are starting in certain markets where we hope to gain material traction and then you will see this get rolled out in other parts of the country.

Rachna Kukreja:

Okay. Understood. One last question. Butterfly enjoys leadership in grinders and gas stoves. And as we grow, according to you, which categories are evolving as being the next category leaders and have the potential to gain leadership? And additionally, across which channels do you think category leadership will be evolving most strongly?

Promeet Ghosh:

Swetha, you want to answer that question?

Swetha Sagar:

So, first thing is we have a very strong leadership in gas stoves in South and gas stoves being our lead category, I think, we will focus our energies in terms of taking the lead and moving forward in NEW and emerge as a category leader at a national level with respect to gas stoves. So that's where our energy is going to go behind for the first part.

The second one is, with respect to mixer grinders, I think, we're also looking at stepping up another category within the mixer grinders, which is basically mixer grinders plus plus. Maybe it could be a food processor or a juicer or anything plus that comes from a mixer grinder. I think, that's the fastest growing segment within mixer grinders where we will focus and we will try to make the brand presence felt in that particular category.

Apart from that, there are new emerging categories in kitchen that we are looking at, some of it which have already taken off, for example, air fryers where the penetration is low and the growth is very high. And even in case of chimneys, where you have a decent growth coming in from a low penetration category.

So, these are few spaces that we are also looking at, but major of our focus would be to take our strength that we have in South and become a national leader in those particular categories where we already have built capability. So that's how we work.

Moderator: Thank you. That was the last question for today. I now hand the conference over to management for closing comments. Over to you.

Promeet Ghosh: Well, ladies and gentlemen, thank you so much for joining this earnings call. As I said in the beginning, these are very exciting times for us. Many of the things that we started investing in, as you can see, have started to bear fruit and are also, I think, showing up in the way that the business is evolving. If you have further questions, please do not hesitate to get in touch with Rishabh, Ruchir, Kaleesh. And you have a good evening.

Moderator: Thank you, sir. On behalf of Avendus Spark, that concludes this conference. Thank you for joining us and you may now exit the meeting.