21st July, 2026

The National Stock Exchange of India Limited Exchange Plaza, 5th Floor Plot No. C/1, G Block Bandra Kurla Complex Bandra (E) **Mumbai- 400 051** **NSE Symbol : HAVELLS**	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street **Mumbai- 400 001** **Scrip Code : 517354**

Sub: Transcript of Earnings Call with respect to Financial Results for the first quarter ended 30th June, 2026

Dear Sir,

This is with reference to the Company intimation dated 14th July, 2026 filed with the stock exchanges in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the conference call to discuss the financial results for the first quarter ended 30th June, 2026 scheduled for 17th July, 2026.

Further to the audio recording filed with the stock exchanges already, we are enclosing the Transcript of the Earnings Call.

The same is also available on the website of the Company under Financials in the Investors section.

This is for your information and records.

Thanking you.

Yours faithfully,
for **Havells India Limited**

SANJAY KUMAR GUPTA
Digitally signed by SANJAY KUMAR GUPTA
Date: 2026.07.21 09:52:41 +05'30'

(Sanjay Kumar Gupta)
Company Secretary

Encl: As above

Havells India Limited

Q1 FY27 Earnings Conference Call

July 17, 2026

MANAGEMENT: MR. ANIL RAI GUPTA – CHAIRMAN AND MANAGING DIRECTOR – HAVELLS INDIA LIMITED
MR. RAJESH KUMAR GUPTA – WHOLE-TIME DIRECTOR AND GROUP CFO – HAVELLS INDIA LIMITED
MR. AMEET KUMAR GUPTA – WHOLE-TIME DIRECTOR – HAVELLS INDIA LIMITED
MR. RAJIV GOEL – EXECUTIVE DIRECTOR – HAVELLS INDIA LIMITED

MODERATOR: MR. ANIRUDDHA JOSHI – ICICI SECURITIES

Moderator: Ladies and gentlemen, good day, and welcome to Havells India Q1 FY27 Earnings Call. As a reminder, all participant lines will be in a listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference has been recorded.

I now hand over the call to Mr. Aniruddha Joshi from ICICI Securities. Thank you, and you to Mr. Aniruddha Joshi.

Aniruddha Joshi: Yes. Thanks, Sumit. On behalf of ICICI Securities, we welcome you all to Q1 FY27 Results Conference Call of Havells India Limited. We have with us today senior management represented by Mr. Anil Rai Gupta, Chairman and Managing Director, Mr. Rajesh Kumar Gupta, Whole-Time Director and Group CFO, Mr. Ameet Kumar Gupta, Whole-Time Director, and Mr. Rajiv Goel, Executive Director.

Now I hand over the call to the management for initial comments on the quarterly performance. Then we will have the question-and-answer session. Thanks, and over to you, Anil Rai Gupta, sir.

Anil Rai Gupta: Thank you. Good evening, everybody. Thank you for attending the call today. Hope you would have reviewed the results by now.

We delivered strong revenue growth in the first quarter as the demand was resilient despite inflationary pressures and the uncertainties arising from the West Asia situation.

During quarter 1, a decent summer supported cooling products demand, although a delayed onset restricted the full benefit of the season. Given significant raw material inflation, we undertook calibrated and staggered price hikes across the categories to offset the impact.

Encouraging to see that the consumer categories held well and absorbed price hikes. Each category showed strength, and we are positive to build further from here. Renewables business continued to scale rapidly with robust growth in revenues, leveraging sector tailwinds. From this quarter, we have begun reporting Renewables as a separate segment.

During the quarter, as planned, we significantly stepped up brand building efforts, led by mass media with advertising spends more than doubling year-on-year. While this front-loading of investments impacted the quarter profitability, these will normalize during the rest of the year. We expect the demand environment to improve further and have a healthy outlook on the margins. We can now move to Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Balasubramanian from Arihant Capital.

Balasubramanian: Sir, on the lighting side, I think earlier you have confirmed about ASP declines have stabilized. And how is that pricing and volumes for this quarter, sir?

Anil Rai Gupta: Yes. As far as lighting is concerned, we have said that the pricing has stabilized. In fact, we may start seeing some price hikes in the coming times because of the electronics. But otherwise, generally speaking, it has stabilized and hence, we are seeing some volume growth now in the business.

Balasubramanian: Okay, sir. Sir, on the switchgear side, majorly impacted by West Asia export disruptions. So I'm trying to understand what is the mix of domestic and international for switchgears? And is there any margin difference profiles compared to domestic and the international side? We have seen around 260 basis point margin erosion in that segment.

Anil Rai Gupta: Rajiv, would you like to take this?

Rajiv Goel: Yes. The international business is normally 15%, but it varies from quarter-to-quarter. And that's why it has been impacted, but we are expecting this to rebound this quarter. It primarily happened because there are no vessels going, but things have considerably eased since then. So we are very confident that Q2 will see a good growth in the international and overall switchgear segment. The domestic demand has been fairly stable.

Balasubramanian: Okay, sir. So my last question on the renewable side. I think we have seen impact on the margin side, whether it's -- if you could quantify in terms of product mix shift, higher -- in terms of like higher share of solar pumps, maybe lower margin versus other products and competitive pricing pressure on solar module market and raw material side. If you could break down those impact on the margin side. And if you could also explain whether it's a timing of the project side or is there any other reasons?

Rajiv Goel: I think you're asking about renewable. Solar pumps still is not very significant in this. I think that should come in the ensuing quarters. And largely, it has been because there has been a strong demand on the panel side. And as you know, panels have slightly lower margin than the inverters.

But that also we expect to improve, you see in the coming quarters. So I think renewable, we believe, is holding pretty well in the margins considering the industry scenario. And as we move more towards the consumer side of the business, we are expecting improvement in the margins on the renewable side as well.

Balasubramanian: We can expect in the H2, sir?

Rajiv Goel: Yes, that's right, next quarters.

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

Natasha Jain: My first question is, if I see across the major revenue contributors, which is Lloyd, ECD and cables, our top line growth has slightly lagged the industry growth. So first off, I want to understand, is it because we took sharper price hikes and therefore, maybe lost on volumes?

And if that is the case, from a very medium- to long-term perspective, could you call out what is the right mix between volume and pricing, especially given that there's intense competition across these categories? That's the first one.

Anil Rai Gupta: See, I think especially as far as Lloyd and ECD is concerned, this particular quarter was the quarter where there was maximum volatility and especially in the fourth and the first quarter. So there have been continuous raw material price rises, and we have taken staggered steps of price hikes. At this point of time, sometimes we are inward-looking and hence, we took calibrated price hikes.

We do believe that we have taken the right steps towards price hikes, keeping an eye on market shares as well as the fact that we have been making some improvements in our distribution policy wherein a lot of focus has been ensuring that we do not unnecessarily load the channel and basically improving their return on capital.

So a lot of things were happening in the first half of the calendar year. But I do believe that on a long-term basis, including if we take secondary sales from the channel, we do believe that we have done a very robust job of ensuring that we do not lose any market share or, in fact, gain market share.

Natasha Jain: Understood. And my second question is on the ad spend. While it's highly appreciated that Havells continues to be a consistent spender here, what's the ideal time frame wherein we can expect such aggressive ad spends to translate to revenues, and more importantly, volume growth? And on those lines, sir, if you could just call out the volume growth for Lloyd, and if we are seeing any brand pull traction there?

Anil Rai Gupta: No. I think, first of all, as far as advertising spends are concerned, basically, this is just a readjustment of our strategy between above the line and below the line and between categories. So as you -- one question is whether this will get normalized? Yes, it will get normalized.

How much it translates into volumes and value? It's usually advertising is a long-term investment. And over a period of time, it relates to volume growth, value growth, premiumization. So it's not something like FMCG where it's an impulsive buy.

So advertising has always been looked at as an investment for a long period of time. And hence, even during the year, it will get normalized, but there was more front ending in the first quarter because of the seasonal products. And what was the second question, sorry?

Natasha Jain: Sir, on Lloyd, the volume growth.

Anil Rai Gupta: Yes. The volume growth in air conditioners would be single digits, but the value growth has been higher because of the calibrated price hikes during the first half of the year.

Moderator: The next question comes from the line of Umang Mehta from Kotak Securities.

Umang Mehta: The first question is on A&P. So for the full year, I mean, last year, you spent something around INR600 crores. Possible to share any kind of budget which you would have for the full year, this year?

And how should we think about this now going ahead? Do you think this is a new base on which we keep on growing every year or do you see this as a lumpy episodic kind of investment you're making as of now? That's the first question.

Anil Rai Gupta: No, as I said, lumpy could be during quarters and all that. But over a longer period of time, it's just a readjustment between the media that we've looked at. And maybe there is a slight impact during the entire year and maybe there's a readjustment. But as a percentage of revenue of consumer products, I think over a longer period of time, 4 to 5 years, we will be remaining consistent.

Umang Mehta: Got it, sir. Sir, any budget you can share for the full year? Should we take north of INR700 crores, INR800 crores?

Anil Rai Gupta: Yes, somewhere around that number.

Rajiv Goel: And look, our long-term average has been around close to 2.7% of revenue as a company as a whole. I'm not getting into consumer otherwise. We expect that to remain the same even for the current year.

Umang Mehta: Sure. Thanks. Second question was on renewables. Given that you've called that out as a separate segment, any aspirations or targets you'd like to share from? So, can we annualize the current run rate? Or do you think there are certain tailwinds from -- which are specific to 1Q? How should we think about this segment? Thanks.

Anil Rai Gupta: I think if you look at renewables a bit more strategically, our focus will be looking into various categories of renewables, which are adjacent to our brand and distribution. So we are looking at installations in, not utility scale of installations, but more residential homes, commercial and industrial establishments.

Also looking at more strategic inputs for the future, battery energy storage solutions, EV chargers. So these are the kind of categories that we are getting into where we can utilize and leverage our brand and channel.

Moderator: The next question comes from the line of Rehan from Trinetra Asset Managers.

Rehan: Sir, I have 2 questions. First on the management has given the guidance in the last call. In the last, management declined to give specific FY27 growth guidance due to market volatility. So given this quarter's results, can you now provide a clearer view on full year revenue and margin expectation? This is my first question.

Anil Rai Gupta: I think if you attended calls for a longer period of time for Havells, we do not give guidance for the year. But yes, the quarter start has been very positive, and we are hopeful that a good resilient growth momentum will maintain during the year.

Rehan: Okay. And my second question is around your price hikes across multiple categories. So as the company implemented calibrated price hikes across multiple categories to offset raw material inflation. Yet, contribution margin remained broadly stable around 18.3%.

So going forward, commodity prices remain elevated. So do you believe there is still pricing headroom available? Or will future margin improvement depend more on operating leverage and product mix than further upside decrease?

Rajiv Goel: I think that will be part of the initiative definitely because it will be led by the growth. And look, these prices have been increased to compensate, but there are usual price increase which happens also you see once in a year. So those will always be undertaken.

And then the contribution margin you're looking at is also a product mix. We do expect and we are seeing certain growth momentum in our other categories as well. As they grow, we are expecting to grow our contribution and overall profitability much higher than the value growth in sales itself. So it will be dual play. It will be leveraging, but we would also be -- you see growing the high-growth categories as well.

Moderator: The next question comes from the line of Indrajit Agarwal from CLSA.

Indrajit Agarwal: A couple of questions from my side. For the Cables segment, can you split out between the value and volume growth in this quarter? And how has it different in wires and cables?

Rajiv Goel: So volume has been largely flat, very, very low single-digit, but I will term it more as flat. And this is across wires as well as cables.

Indrajit Agarwal: Sure. And in renewables, would it be more like volatile or the quarterly run rate is something that we can maintain? And at what top line level we can see more insourcing than outsourced model?

Rajiv Goel: Look, as you are aware, I'm coming to insourcing, outsourcing first. The strategic investment in Goldi, which we made was the part of a very planned execution. So Goldi, I don't know if you put it outsourcing or insourcing because this was a strategic decision taken on that, I think which has held well because now as there is so much clamor, I think we are able to sort of have a very significant and assure supply chain there. So I would come this is a strategic insourcing rather than outsourcing to that extent.

And inverters, we have been doing ourselves in-house. And the other categories we are talking about, there will be a very strong strategic tilt towards that. And a lot of them will be done in-house either through the assembly or through the technical collaboration.

And the sectoral tailwinds are strong and the way we are looking at the adjacencies as well -- we are hoping internally that we should continue to grow well in this category because this is a strong economic imperative for renewables in India, which is also reflected in how the government is supporting this initiative.

So we are very positive on this, and we expect it to become a larger segment. And that's the reason why we have also carved out renewables so that it can be tracked both by the company as well as our investors on how we are doing the same. So I think it just demonstrates our faith and belief in this category and the growth will get us there.

Moderator: The next question comes from the line of Siddhartha Bera from Nomura.

Siddhartha Bera: First question is on the cable and wires. If we look at the gap between the contribution margin and EBIT margin, it seems to have gone up a bit in the current quarter. Is it because of ad spend? Or if you can highlight what has led to this?

And second question is, sir, on the price hikes and costs. I mean, if you look at, say, ECD or Lloyd, how much have we taken in terms of price hike in the current quarter? And how much more do we need to take to pass on the current cost?

Anil Rai Gupta: No, I think, as far as your first question is concerned, yes, it is due to higher A&P spends during the quarter. It's across the businesses, not just cables and wires. And as I have said already, during the year, it will get normalized. So we do not expect any major changes in the overall profitability for various divisions.

And as far as price hikes are concerned, look, different product categories require different price hikes depending upon the kind of raw materials used in that category. But generally speaking, 7% to 8% would be the right price hike, average if we take it.

And whether everything has been passed on, we were actually disciplined enough to say that we have been able to pass on the entire cost. But some of the remnants of -- some averages might be coming in the second quarter. But I would say most of the price hikes have already been taken now in a staggered manner.

Siddhartha Bera: Okay. Okay. So at current commodity costs, we should ideally see margins improving from the coming quarters if it stays at that level?

Anil Rai Gupta: No, I think raw material prices have also moved up in a staggered way and price hikes have also moved up. So I would say we will now see the normalized margin levels. Contribution margin levels.

Siddhartha Bera: Okay. And second question is, sir, on the Lloyd. I mean, Lloyd, we used to do a double-digit contribution margin, which has now been in high single digits for quite some time. Given the competitive dynamics and your focus, do we anytime soon see that going to that double-digit levels? Or do you think that may take longer now given the industry?

Anil Rai Gupta: No, no. I think except the non-seasonal quarters of second and third quarter, but we should be seeing double digit sooner than later. All this has happened also due to the volatility and timing differences between passing price hikes and all that. But otherwise, in full quarters, we will definitely see it coming back to double digits.

Moderator: The next question is from the line of Praveen from PL Capital.

Praveen Sahay: My first question is related to the pricing. Sir, last quarter Q4, you indicated 5% to 20% of a price hike implementations. So is there some challenges have you faced in absorption of those price hikes in this last quarter Q1 as well?

Anil Rai Gupta: I would not say challenges have been faced. I think the challenge was to pass on the price hike and which we've been able to do it successfully. I always remain skeptical about what it means for the volumes. Thankfully, the demand remained resilient in the first quarter.

And hopefully, in the coming times also, it should remain resilient. Any improvement there on in terms of raw materials or the world situation, definitely, it will be either further passed on or reduced. But as of now, I do believe that we have been successfully able to pass on the price hikes.

Praveen Sahay: Okay. Second question, sir, is related to the capex, nearly around INR1,400-odd crores of capex for '27, what you had given in the press release. Can you give us some color on the bifurcation on the segment-wise, where it is going for a full year in this number?

Anil Rai Gupta: Look, the bigger part of that is going into the cables and wires business, almost about INR800 crores. About INR200 crores is going into the new R&D center. The rest is all divided into other business.

Praveen Sahay: And last question, sir, related to your collaboration on the BESS. If you can give some more color on this -- on the revenue and the margin visibility and when that's going to contribute to the numbers, this Pixii collaboration? And how is it going to work, whether you are going for a manufacturing of those -- assembly of those or just a distribution you are planning for?

Anil Rai Gupta: I think these are early stages to discuss this on the call right now, one. And two, it is anyway part of the overall renewables strategy. So as things pan out, we will be coming back with more information, but it's just too early to comment on it.

Moderator: The next question is from the line of Sonali from Jefferies.

Sonali: Sir, my first question is if you could shed some more light on the weaker performance in switchgear, both in terms of demand and margins, especially because this is your highest margin segment. How should we look at this segment going forward in the coming quarters?

I do understand you have mentioned in your press release that the demand has been impacted because of West Asia crisis. But since we are amongst the key market leaders, a 4% decline in sales year-on-year and with a margin dip seems a bit concerning to me, which is why I'm asking this question.

Anil Rai Gupta: No, I think one is not only the West Asia crisis, but it's also switchgear is one of those business where, again, volatility of raw materials was high and it impacted the entire passing on. And I would say because of this volatility in raw materials, there was also confusion amongst the trade also on buying products.

I think it has fairly stabilized, which should mean that the demand should be coming back from the second quarter. Hopefully, the international situation may also improve, but at least the domestic demand will remain stable from here. It seems so.

Sonali: Sir, how much of your sales in switchgears is from international just in the context of what you said?

Anil Rai Gupta: 15%.

Sonali: Understood. Got it. Very helpful. Sir, my second question is you did mention about the staggered price hike on an average about 8%. Would you be able to help us understand which category on an average, how much price?

And I understand you don't give outlook or guidance, but how should we look at the margins in the coming quarters? As in a broader range, should we expect it to revert back to our normal 9%, 9.5%? I'm talking of EBITDA margin.

Anil Rai Gupta: No, I think, again, as far as price hikes are concerned, we've ranged between, let's say, 5% to 20%. Cables and wires have seen a larger price increase because of direct relation with copper and aluminum. But otherwise, as I said, most of it is average about 7% to 8%.

As far as margins are concerned, going forward, I think we are looking at stabilizing contribution margins. I would not so much comment on EBITDA margin because there's a lot of things associated with that. At least contribution margins, we do believe we have done very good work in terms of managing the volatility in the raw material prices. And hopefully, the things should remain stable in the coming quarters.

Sonali: Understood. Sir, and just one last question, sort of a confirmation. For the capex for FY27, we should expect at about INR14 billion, right?

Anil Rai Gupta: INR1,400 crores, yes.

Moderator: The next question is from the line of Nitin Shakdher from Green Capital Single Family House.

Nitin Shakdher: This is a question not as an analyst, but more as an investor. So obviously, the reneweables business is showing excellent growth rate. I just wanted to get a sense of what the management is thinking in terms of revenue and top line in the future from the renewables and the strategy towards that because it's showcasing a lot of positive revenue offtake and huge growth. So if you could just talk us through some strategic aspects of the renewables business for this year.

Anil Rai Gupta: See, I would say that having looked at this business, especially with the Goldi investment last year, we are looking at this business very strategically and for a very long period of time.

We made huge investment, in fact, for ensuring our supply chain for the coming years. So basically, if I look at it strategically, we are very hopeful that this business can become very big. We are still evaluating all the possible places where Havells could actually make sense, not only as a business, but also as a supplier to the renewable category.

So when we are talking about renewables as a business, that's just one business. But also, you can understand when all this capex and investments are happening in the country, a lot of our products, including switchgears and cables is also positively getting affected by that.

Having said that, I think the future will also depend upon how the government looks at this, how the regulation looks at it, what kind of manufacturing happens in India, what kind of tariffs are there, what kind of subsidies are there for the consumers and users. So there will be a lot of moving parts to this business. I would only say that I think India has a great future in renewables and Havells wants to play a part in that.

I also mentioned that we will be looking at it more -- not at utility scale, but more in the consumer and commercial and industrial installation. So that's how we are looking at this segment. There are tailwinds and hence, it's reflecting in good growth in this year. But I think we have a very positive outlook for the entire category.

Nitin Shakdher: So my second question is like, you obviously mentioned that because of doubling of ad spends and raw material pressures, bottom line has been at least hit for the first quarter a little bit. Now obviously, looking at a future outlook by the close of next year, do you anticipate to recover the net profitability and come up to a certain level which showcases the growth? Or do you anticipate this year to be a bit flat?

What's your anticipation in terms of the margins, which have been hit on the net profit for the first quarter and going ahead for the second, third and fourth quarter?

Anil Rai Gupta: I think without giving any guidance, I can say that we are, one, on the A&P spend, things will normalize for the entire year. There will be an initial bump in this year because we do believe that we need to get back to that percentage of what Rajiv just mentioned between 2.5% to 3% of the spend for the brand for building long-term.

But also, I've also said that we are looking at hopefully stabilized margins in the coming quarters also. I mean we've proven our fact that we've been disciplined in pricing despite the volatility in raw materials. So there is a constant eye on the margin as well as managing spend. So I do see that we should see improvement in this year, both in volumes and profitability.

Moderator: The next question comes from the line of Jatin Sangwan from Optiver.

Jatin Sangwan: My first question is related to A&P spends and the market share that we're continuously losing in ACs. Because if you think of medium term to long-term, to get the customers' top of mind share, you have to continuously spend on A&P to get the share back and this will result in your increasing market share in ACs.

Of course, the AC season is over and you may not spend too much on marketing for the next 2 quarters, but let's say, when the Q4 of FY27 comes or Q1 of FY28 comes, so how do you think of this advertising and promotion spend?

Anil Rai Gupta: Yes, I think there are 2 things to advertising spend as far as Lloyd is concerned. One is ensuring that we remain top of the mind awareness for the consumer during the season, but also to ensure that we build a long-term premium image for the brand.

So these 2 aspects we are always keeping in mind when we are advertising for Lloyd. Having said that, yes, the first quarter was primarily depend upon not just ACs, but other product categories also. And coming the fourth quarter also, we should be looking at.

So the way we look at it is that Lloyd spends on A&P will remain elevated for the next couple of years because there is a dual requirement of also premiumizing the brand in the product categories, the kind of quality and the features that we give in our products need to be communicated to the consumers for a longer period of time.

Jatin Sangwan: Got it. And my second question is on wires and cables. So if I compare it with our competitor who reported a couple of days back, so they have reported like high single-digit growth in wires and low to mid-single-digit growth in cables over a very high base that they had, while we are almost flat.

And of course, our margins have also declined. But we do actually need to win in that segment and where we are losing to some of our competitors? And how do you plan on gaining that market share back in wires and cables?

Anil Rai Gupta: I think, as I said that especially in domestic wires, we have done a very good job in terms of not only ensuring that our contribution margins continue to remain the way they are. And also, as I mentioned, we've made certain distribution strategy changes to ensure that we become more of a sell-out brand rather than just a sell-in brand, which also impacted some volumes at the end of the quarter where suddenly the copper prices have started going down. So we are becoming more of a sell-out brand.

As far as cables is concerned, we are seeing very good growth, but also it is linked to the capacity expansions which are happening. So I would say that the whole idea of winning in this business in cables is more capacity expansion, ensuring that we continue to build our capacity there. But also in wires, we continue to keep the customer confidence very high in terms of brand and distribution channel.

I think you may have seen that also during the quarter, we have spent part of our advertising promotions on wires as well. So I do believe that we have very positive model, long-term prospects for cables and wires put together. If you're talking about lower margins, that also is affected by the fact that there was disproportionate spend on advertising and promotion for the quarter, which will normalize over time to come.

Jatin Sangwan: And just a follow-up on this, and this is the last question from my end. So when you say you are spending higher on wire and cable side also, and still it is not resulting in sales for us. Of course, you may say that it will result in coming quarters.

But over the time, we have seen that we have been consistently losing market share to the competitors. So how do you think of this advertising strategy on wires and cables? And when will it lead to results?

Anil Rai Gupta: I think I don't need to repeat my answer. I already answered it.

Moderator: The next question is from the line of Keyur Pandya from ICICI Prudential Life Insurance.

Keyur Pandya: Sir, first question on the Lloyd side, room air conditioners. Because of our product placement timing last year Q1 itself, we had a low base versus industry. And even last quarter was a low base for us. So despite that, when Q1 numbers are relatively lower in the last summer season. So Is there any change in strategy or some rejig? And apart from that, any market share loss that you seem to have reported in the secondary sales side?

Anil Rai Gupta: I think initially, I had mentioned that as a company, we have made certain improvements in our distribution system where we are becoming more of a sell-out brand. And same is the case for Lloyd as well. So we are focused right now on the sell-out from our channel. So because of the BEE rating changes, there were certain stocks which were pushed during the third quarter and the fourth quarter in the channel.

We do believe along with the delayed summer, onset summer during April, we have been able to have a decent sell-out from the channel. Sell-in may have been affected, but I think over a long period of time, this should get stabilized.

This is also during the entire volatility in the raw materials. So sometimes during a particular quarter or a half, sometimes we choose to adopt a certain strategy. I think there are some disturbances in the line.

Keyur Pandya: So there is no market share loss?

Anil Rai Gupta: You can separately connect with our IR department. I am sorry. I can't hear you properly.

Keyur Pandya: Second question on profitability of...

Moderator: Sorry to interrupt, your voice is not audible.

Keyur Pandya: Am I audible now?

Moderator: Can you please speak? Yes, you are audible, say it.

Keyur Pandya: Okay. Last question is on the profitability of switchgears and ECD. So apart from the A&P spend this quarter, for last 2 years, we have seen a decay in profitability of these 2 segments. So when you say normalization of margin, what will be normalized margin? That is one point.

And second, specifically to switches and switchgears for last 3 or 4 years, our absolute EBIT has remained same, even with lower sales growth. So probably we have lost market share as well as profitability. So any outlook on switches and switchgears?

Anil Rai Gupta: So I can't really hear properly. You are saying that the switchgear margins, the normalized margins are somewhere between 37% to 40% contribution margin. That's the question that I understood.

Keyur Pandya: Okay. Let me connect separately. Probably some issues with my connectivity.

Moderator: The next question comes from the line of Achal Lohade from Nuvama Institutional Equities.

Achal Lohade: Just wanted to check in terms of the cable segment, how are you seeing the momentum? Was there any pain in terms of the demand in last couple of quarters? Or it is purely to do with the teething issues in the asset ramp-up for us in cable segment, sir?

Anil Rai Gupta: I think cable segment, we've been doing well. So we've been ramping up our capacity. And I don't think there are teething issues. We are actually gaining good growth in the cable segment. The challenges that could have seen in the last couple of quarters is the volatility in raw material prices.

So sometimes, certain times, material gets pushed or sometimes there is a slow pickup because of suddenly the volatility raw material prices start going down. Other than that, on the cables, I think we are on the planned track of increasing capacities and increasing sales.

Achal Lohade: Fair. Just one question I had with respect to solar cables. In terms of offering, do we have all the relevant SKUs? And what is the contribution of solar cables for us? And also, if possible, for the industry? Just your thoughts on the same, sir?

Anil Rai Gupta: We do have the entire range, but we'll come back to you. I think if you talk to our IR, they can give you some more color on it.

Moderator: The next question comes from the line of Ravindranath Nayak from Nirmal Bang Securities.

Ravindranath Nayak: Sir, in this quarter, there is a significant rise in the A&P spend. So is it possible to quantify how much it has gone from Lloyd and how much is non-Lloyd business of the company? And if at all, you are targeting INR800 crores and how much you are planning for Lloyd and the rest of the business of the company? Thank you.

Rajiv Goel: Yes, the breakup, we don't give. Normally Lloyd depends upon also the quarterly, because it is very seasonal. I don't think we have given any guidance for INR800 crores. As we said, this should be normally around 2.7%, 2.8% of the net sales, which has been the trend for the last few years.

Ravindranath Nayak: But for this INR286 crores, any idea that how much it has gone from Lloyd and non-Lloyd business?

Rajiv Goel: As I said, we do not give bifurcation on the division-wise.

Moderator: The next question comes from the line of Sameer Gupta from IIFL Capital.

Sameer Gupta: First question is on Lloyds. Now I understand this question has been answered during the course of this call, but I'm just trying to find my interpretation here.

So you are saying that there is an impact due to higher sell-in in previous quarters and normalization of that has taken place, plus staggered price hikes over the course of the last 2 quarters that might have impacted primary offtakes. Would this be a correct interpretation?

Anil Rai Gupta: Yes. And a few other reasons also, but yes, primarily these 2 reasons.

Sameer Gupta: Sir, so just a follow-up on this then. Basically, higher sell-ins in previous quarter should have then resulted in higher growth in the previous quarters, which I'm not able to see. So is it that the last year, the sell-ins were very high and that is normalizing now?

Anil Rai Gupta: You see, if you remember last year, there was a very bad season. And also a lot of BEE rating changes happened at the end of December, plus the volatility in the raw materials in the first quarter.

Also, I've also mentioned that Havells and Lloyd both have gone through a change in the distribution strategy for the company, which is we believe is a foundation for very positive growth in the coming quarters. So all this put together, yes, it has reflected in this growth that we have achieved in the first quarter.

Sameer Gupta: Thanks for the detailed answer, sir. If you could just elaborate on this change in distribution in Havells and Lloyd that you're talking about?

Anil Rai Gupta: I think for the purpose of this call, I would say that as both Havells and Lloyd have become more sell-out oriented than sell-in oriented.

Sameer Gupta: So basically, primary aligning with the secondary, that's what it would mean, right, sir?

Anil Rai Gupta: Yes.

Sameer Gupta: Got it. Thanks. Second question, if I may squeeze in. Ad spends, if I'm looking at this quarter, and again, this has been discussed, so pardon me if something that I have not been able to interpret correctly.

But on an absolute and as a percentage of sales, both it is among the highest that we have done in any quarter, especially in a quarter where there is RM pressure across the board. So is it driven by any major event like an IPL or something? I just wondering if this could have waited.

Anil Rai Gupta: No, that depends upon the strategy of the company. Company looks at the long-term. All the raw material fluctuations and everything are short-term. Brand building is long-term. So if I would have been too concerned about quarter-on performance, then, of course, I would have definitely said that, this can wait on.

But I think brand building is a continuous activity. As I said, we have relooked at the entire strategy of A&P, and that's where it led to us coming back to certain media or certain product categories. That's the only thing. Otherwise, again, as I said, the difference between thinking long-term for certain things and short-term for certain things.

Moderator: The next question comes from the line of Ashish Jain from Macquarie.

Ashish Jain: Sir, my first question is on renewables. Can you share some thoughts from, let's say, 3- to 5-year perspective, how big this business can be in your vision? And what are the key products which will be driving that?

Anil Rai Gupta: I've already said this, that it's too early to give any more detailed answer than what we've already given.

Ashish Jain: Okay. Okay. Sir, secondly, on cables, it's a bit surprising that like 4 quarters back or 6 quarters back, we had capacity issues. And now with capacity coming in also, our cable volumes are flattish. So how should one think about that in your view and what's driving that?

Anil Rai Gupta: I think I've given this in a lot of answers that while our capacity utilization has been high, some part of the cables is also affected by the raw material fluctuation, which also means that sometimes the sell-in seen becomes slower when the raw materials are fluctuating heavily.

So it's -- not everything is going to projects because there's a lot of dealer sales also in cables. So when the raw materials start going down, the dealers start selling out from their own stocks rather than picking from the company. So there are a lot of factors. I don't think you should look at one quarter.

Ashish Jain: So sir, just an extension of that. So should we think that for cables and ACs in particular, for the same reason, the channel inventory today is lower than normal? Is that the right way to think? And that could reflect...

Anil Rai Gupta: Yes, at least at the end of the quarter, yes.

Ashish Jain: For both the products. Okay.

Moderator: The next question comes from the line of Pulkit Patni from Goldman Sachs.

Pulkit Patni: Sir, first question is in your opening remarks plus a few other times, you sounded a lot more confident on overall growth. My question is, is this confidence stemming from the price increases that have happened across categories? Or are you also feeling more confident about volume growth going forward?

Anil Rai Gupta: I'm always confident.

Pulkit Patni: About, sir? Volume growth or it's the pricing growth that is going?

Anil Rai Gupta: I'm always confident about Havells growth.

Pulkit Patni: Okay. Okay, sir. Sir, my second question is, would you be able to highlight what is the capacity utilization at the Cables and Wires division right now for us?

Anil Rai Gupta: I can't give it to you on this call.

Pulkit Patni: Okay. I'll take it from the IR team separately.

Anil Rai Gupta: Thank you.

Moderator: Ladies and gentlemen, that was the last question. I would now like to hand the conference over to the management for the closing comments.

Anil Rai Gupta: Thank you very much, everybody, for attending this call and being very patient on the call. Thank you once again. Wish you a very good weekend.

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