

22<sup>nd</sup> October, 2025

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 second quarter and half-year ended 30<sup>th</sup> September, 2025**

Dear Sir,

This is with reference to the Company intimation dated 13<sup>th</sup> October, 2025 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 second quarter and half-year ended 30<sup>th</sup> September, 2025 scheduled for 17<sup>th</sup> October, 2025.

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)**  
**Company Secretary**

**Encl: As above**

**HAVELLS INDIA LTD.**

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Havells India Limited

Q2 FY26 Earnings Conference Call

October 17, 2025



**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:** **MS. BHOOMIKA NAIR – DAM CAPITAL**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Havells India Q2 FY '26 Earnings Conference Call. 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 touch-tone phone. Please note this conference is being recorded.

I now hand the conference over to Ms. Bhoomika Nair from DAM Capital. Thank you, and over to you, ma'am.

**Bhoomika Nair:** Thanks. A warm welcome to everyone for the Q2 FY '26 Havells India call today. We have the management being 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.

At this point, I'll hand over the floor to Mr. Anil Rai Gupta for his initial remarks, post which we'll open up the floor for Q&A. Thank you, and over to you, sir.

**Anil Rai Gupta:** Thank you. Thank you very much. Good evening, and thank you for attending the call today. At the outset, I would like to extend my heartfelt wishes for Diwali. May this festival of light bring joy and prosperity to you and your families.

As regards to the Q2 results, we have delivered a decent overall performance. However, the summer products experienced weakness with overhang of shorter summer and higher channel inventories. Air conditioners, fans and coolers' revenue declined Y-o-Y. This not only impacted our growth and margins, but also led to elevated working capital levels. We have been working closely with our channel to increase consumer offtake, and we believe that the channel inventories will normalize by the end of Q3.

Cables maintained its steady growth momentum, driven mainly by strong growth in power cables during the quarter. Our execution towards capacity expansion in cables is on track. And in this reference, we have acquired a land parcel of 39 acres adjacent to the existing manufacturing facility in Alwar, Rajasthan.

LED price stabilization in lighting and an initial pickup in residential demand seems to augur well for the business going forward. While continuing our investment towards strengthening brand presence, the overall expense growth has been in line with revenue growth.

Higher working capital levels, especially for cables and Lloyd has led to a reduction in cash and bank balance, impacting the interest income earned during the quarter. Although we expect working capital to normalize by Q4, the other income has remained relatively low in H2, considering the planned capex spend.

The recent GST reduction by the government has been a welcome step towards uplifting consumer sentiment and strengthening the demand. Amongst the Havells category, air conditioner, TV and solar has seen GST rate reduction.

We can now move to Q&A.

**Moderator:** Thank you sir. The first question comes from the line of Manoj Gori with Equirus Capital.

**Manoj Gori:** Greetings for the festive season. Sir, my question is on the Lloyd front. So 2 parts into it. One, you said like inventories will get liquidated by 3Q. So probably when during November and December when channel will be building inventories for old star-rated ACs, so do we see pressure during Q3 on primary sales?

And when we say like in the presentation, we have mentioned about the customer support schemes and offers that we have offered, which led to significant decline into contribution margins for Lloyd. So are this in form of customer support schemes or price cut that we have taken? Can you throw some light over there?

**Anil Rai Gupta:** Right. So as far as the first question is concerned, yes, there will be liquidation of inventories in the third quarter because of the BEE rating changes. Depending upon how much inventory is there, depending upon how much of the old ratings will be produced, we'll definitely be offloading that inventory to the channel.

The channel can sell that inventory to the consumers in the coming quarter as well. But the manufacturers will limit their production to that extent as it can be liquidated during the third quarter. So I believe that's why I'm saying that the inventory, at least at the manufacturer level, will normalize by the end of the quarter.

And as far as consumer schemes are concerned, yes, because it was a shorter summer and that overhang continued in July, which was also a very strong summer last year. So the channel which was holding inventory were offered certain direct consumer schemes so that consumers get attracted to lift the product during the off-season. Otherwise, there was no price reduction from the company side. For material, which was already in the channel, certain schemes were offered.

**Manoj Gori:** And this customer support schemes are likely to continue till?

**Anil Rai Gupta:** No, those were for a shorter period of time, and they have been withdrawn because of the GST changes. They've already been withdrawn.

**Manoj Gori:** So contribution margins, at least we should see normalcy from third quarter onwards. Is that understanding right?

**Anil Rai Gupta:** Yes, we will start seeing improvement in third quarter, but real effect will come in fourth quarter. But contribution margin is also greatly affected by the under-absorption of

manufacturing overhead because as you can imagine, because of the high inventory levels at the end of the first quarter, the production levels were also scaled down.

**Moderator:** The next question comes from the line of Natasha Jain with PhillipCapital.

**Natasha Jain:** Sir, my first question is a follow-up on the last participant's question. While inventory definitely we might see clearing at the brand level, how do you see secondary moving, first that? And secondly, when we talk to our channel partners, they tell us that they have huge inventory with them, and the entire cash flow is blocked in that inventory. So third quarter, do you expect channel partners to fill up very aggressively given they already have stocks and they do not have that kind of cash flow with them?

**Anil Rai Gupta:** See, there are various kinds of channels, distributors, large format chains, e-commerce and certain channels would have higher inventory because they have higher stock buildup capacity. I would assume that largely the distribution channels, which is almost more than 50% of the sales will be definitely normalized by the end of the third quarter. And that is the kind of channel which generally picks up more material during the third quarter. Anyway, the modern format retail and the e-commerce channels generally pick up in the fourth quarter.

**Natasha Jain:** Understood. And sir, my second question is on ECD. Now your degrowth is at 1.7% Y-o-Y. When we went on the ground, we understood that fans' degrowth is in high single digit, around 8% to 9%. So if you could correct me if my data is correct or wrong? And secondly, if that is the case, what product categories supported in terms of reducing the degrowth? If you could just give some qualitative color on how the large appliances, small appliances did versus fans?

**Anil Rai Gupta:** Sorry, I missed the last part of the question. You were asking about the fans' degrowth in high single digits?

**Natasha Jain:** Yes, sir. So that is what we picked up from the ground and your numbers are negative 1.7%. So I just want to understand how is this gap closed as to how did the large domestic and small domestic appliances perform? Is there a good growth in terms of kitchen appliances and winter products?

**Anil Rai Gupta:** Yes. So we are seeing good growth in the water heater channel as well as the consumer small appliances. We have actually seen a degrowth of fans, not necessarily high single digits, but mid-single digits. But we've also seen a significant degrowth in the cooler because there was already high levels of inventory in the channel. And hence, the second quarter sales, there is a high level of degrowth. So overall degrowth is about 2%, but there is good growth in the appliances as well as water heater.

**Moderator:** The next question comes from the line of Aniruddha Joshi with ICICI Securities.

**Aniruddha Joshi:** Sir, the question on, once in January, we moved to new BEE norms for fans and air conditioners. So what will be the price hikes that will be required in both the categories? And

already considering the steep competitive intensity plus huge inventory in the market, etcetera, do you see there is any potential to in a way -- I mean whether the price hikes can get easily absorbed without much impact on the volumes?

And second and last question is, if you can quantify the current inventory in terms of how much it is more than the normal inventory, means assuming normal inventories around 3 weeks, whether the current inventory is 4 weeks, 5 weeks? If any quantification you do, that will be very helpful. And again, channel-wise, means which are the channels which are having the maximum inventory impact?

**Anil Rai Gupta:** We are confident that whatever the cost increase will be there. Yes, there are challenges of inventory levels within the secondary trade, but we will be able to pass on. Of course, you can say it depends upon the competition also, but the kind of price increases, which will happen will have to be passed on to the consumer.

This is unfortunate that the GST reduction is not fully being passed on to the consumers because of these changes, which will happen in the 1st of January. So which means the prices will come back to almost the same levels as before. But otherwise, yes, the cost increases will be passed on. And as a company, we'll be responsible to pass on those benefits.

The inventory levels are varying between channel to channel and product to product - coolers, ACs, fans. It will be very difficult to quantify it. But yes, these are generally higher than normal at the end of second quarter.

**Aniruddha Joshi:** Sorry, sir, your voice is breaking.

**Anil Rai Gupta:** Yes. So sorry, the inventory levels, it will be difficult to quantify because there are 3 or 4 product categories in different channels. But otherwise, they are at a higher level at the end of the second quarter. Particularly air conditioning inventory is higher than even the fans.

**Aniruddha Joshi:** Okay, sir. And last question. So cables and wires, we have seen a massive improvement in profitability. So is it fair to assume that the profit margins are close to the peak level? Or there is still further potential to see the margin moving upwards in coming quarters also?

**Anil Rai Gupta:** I think this particular quarter, if you compare it with the last year's same quarter, this was a depressed quarter because of the fluctuation in the prices of the raw material. This particular quarter, there was a benefit because the prices were constantly increasing and there were certain benefits on the inventory. I would say with our blend of cables and wires, 15% to 16% is the right contribution margin to assume and so that will continue to strive. Depending upon quarter-to-quarter, some variations may happen, but otherwise, that's what we are striving for.

**Moderator:** The next question is from the line of Siddhartha Bera with Nomura.

- Siddhartha Bera:** Sir, on the ECD side, I mean, despite some recovery in the growth rates, margins, especially contribution margins also seems to have come down sequentially. Has there been any sort of -- given the early festive this time, pull forward of investments? And should we expect things to pick up better in the quarter 3 and quarter 4? So how should we look at margins for the ECD segment?
- Anil Rai Gupta:** Yes, I think ECD segment is on the positive side for the contribution margin. Second quarter is generally a little bit more depressed because of fans off-season. In this particular quarter, it was lower. So hence, there is some under-absorption of manufacturing overheads for the fans plant. So whatever we see reduction there is mainly because of the fans margins. Otherwise, in other product categories, we are seeing improvement as well as also coolers, so both fans and coolers.
- So I think it is consumed, and we are hoping for better contribution margins. It's not comparable as against last year because EPR liabilities have also increased in the current year, which obviously when the season comes, when we are in a position to pass on that price to the market, we'll have to do that. But right now, because of low season, we've also been restrained to do so.
- Siddhartha Bera:** Understood, sir. And second question is on the switchgears. Now here also, if you look at the EBIT margins, I think Q1, you had talked about some adverse mix, which had led to lower margins. This quarter also margins seems to have come down a bit sequentially. So what should be the sort of range we should think about in terms of switchgears? I mean do we also see some scope of improvement there? Or these are some sort of steady state numbers which we have now used?
- Anil Rai Gupta:** I think switchgears, you can fairly assume contribution margin to be around 38%, sometimes 37%, sometimes 39%, 40%. So 37% to 40% is the right range to assume, depending upon the product mix in a particular quarter. That's the right number...
- Siddhartha Bera:** Got it, sir. And sir, lastly, on the initial few festive period in terms of demand recovery, how are you seeing the trends? In terms of ACs, I understand that it is not conducive in terms of environment, but how about ECD & Lloyd TVs and other segments also we have? So can you throw some color about how the recovery has been in the beginning part of the quarter 3?
- Anil Rai Gupta:** I think we definitely see positive momentum, especially also because of the fact that there was some pent-up demand. Until 22nd of September, there was a slowdown of sales. So the channel is also picking up materials. They're also clearing their old inventories also in the system. But we do believe that there is a better pickup. The rural area's growth is also coming back. And I think overall, this positive change in GST also. Though in many of our product categories, there is no change, but there is a positive feeling amongst the consumer right now during the season.
- Moderator:** The next question comes from the line of Umang Mehta with Kotak Securities.

- Umang Mehta:** Sir, first question was on wires and cables. So your Tumkur expansion last year came on stream only in September. And even if we assume, say, 70%, 80% utilization over there, that itself should have given a growth delta of around 7% - 8% on Y-o-Y basis. So is it that wires is something which was under pressure? And competitively, at least we see peers have reported better numbers over there. So any insights you can share on wires?
- Anil Rai Gupta:** I think cables, as you rightly said, is continuing on a very good growth pattern like in the first quarter and second quarter. If you see first quarter, our wires sales were showing a much higher growth. If you actually see the first 6 months, it also depends upon stocking of material at the dealers and depending upon the price increases or price reduction. So I would not see wire performance on a quarter-on-quarter basis.
- So what we track is market shares, and I think we continue to be very strong in wires. And overall, if you see the first half of the year, our growth in wires has been quite good, mid-double digits. So that's a very good sign for the wires business as well. Cable continues to do well with the enhanced capacities.
- Umang Mehta:** Understood, sir. Makes sense. And the second question was on Lloyd. So these offers, which you had to give to liquidate the secondary channels stocks, were these get recorded below contribution margin or above contribution margin? Just from like accounting perspective.
- Anil Rai Gupta:** Above contribution margin.
- Umang Mehta:** Got it. So then the pressure in that sense should ease out going forward is the right understanding, right?
- Anil Rai Gupta:** That's it.
- Moderator:** The next question is from the line of Renu Baid with IIFL Capital.
- Renu Baid:** My first question is first on the 'Others' segment. While this was a seasonal quarter with respect to rains and monsoons, by when and in what color should we expect growth in the solar portfolio to come through? Any color that you can share with us?
- Anil Rai Gupta:** Generally, second quarter is a low season for the solar business. I think third and fourth quarter, we are expecting very decent growth in the solar.
- Anil Rai Gupta:** In this quarter, it is good, but real growth will come in third and fourth. Second half is generally a good time period for the solar.
- Renu Baid:** I was saying the material scale up in business volumes after investing in Goldi and having acquisition to better supply chain components, that factor will start playing out from second half of the current fiscal year?



- Anil Rai Gupta:** That's correct. In fact, it had started playing out in the second quarter itself. The growth was decent, but it is generally a low quarter anyway. But over the last year, there is a good growth in this business. And third and fourth quarter, the real benefit of the supply chain would start up.
- Renu Baid:** And margins thereafter should improve for 'others' as a segment or category overall hence?
- Anil Rai Gupta:** Yes, hopefully.
- Renu Baid:** Sure. Second is within the Lloyd's portfolio, if you see recently, LG after the listing, they have announced a pretty aggressive, at least initial start off with some range for the mass premium and the mass market are slightly lower price points. While the details of the price points, I think, will be available in the market by next month, do you think that this can impact our penetration or expansion plans for a non-RAC portfolio, namely on the REF or on the washer side of the market, especially in smaller towns?
- Anil Rai Gupta:** LG has been a strong player in these segments, and they continue to be a mass premium player. They are not really a luxury player only. They continue to be a mass premium player in these segments, and this will only enhance the penetration for these products.
- Renu Baid:** Right. So do you think that we would face increased competitive pressures from LG from that...
- Anil Rai Gupta:** We are still a very decent player in these categories. And there is a lot more we have to do for distribution reach and all that. So I don't think we can face some headwinds against that.
- Renu Baid:** Got it. And lastly, on the switchgear part of the portfolio, we are hearing, I think globally, Legrand is looking for consolidation. And if there is a sale transaction where in India portfolio is also acquired by any large company, do you think this could create increased competitive intensity in the switchgear category, which itself has been struggling on the growth and profitability front?
- Anil Rai Gupta:** You're saying the Legrand buys somebody or sells revenue or what, I didn't understand.
- Renu Baid:** Legrand is up for sale. So do you think the M&A could translate to higher competitive intensity for Havells?
- Anil Rai Gupta:** No, no, I don't think so.
- Renu Baid:** Got it. Got it. And lastly, just your input and feelers, while the entire buzz in automotive has been very bullish after GST rate cuts, for FMEG or consumer electricals, there's a bit of inventory and festive offtake, which is there. But directionally, do you think some of the government initiatives, which have been taken should drive material uptick in consumption or a lot needs to be done beyond the GST rate cuts that we have seen?

- Anil Rai Gupta:** No, no, I think we are very hopeful things should come up in the second half.
- Moderator:** The next question comes from the line of Tanay Shah with DAM Capital.
- Tanay Shah:** Sir, my first question is, if you could possibly help us between the volume and the value growth for cables and wires growth this quarter?
- Anil Rai Gupta:** I think as far as cables is concerned, the value and volume growth is the same. And as far as wires is concerned, there is a volume growth lower than the value growth because copper prices have gone up if you compare to the last year. We don't give figures separately for cables and wires.
- Tanay Shah:** Understood, sir. And sir, the second question is, obviously, while we saw some sort of deferment in the ECD demand for the first quarter, given that now the GST forms are fairly set, how has the demand been post the GST norm change? And any sort of outlook or any sort of green shoots we're seeing in demand for festive for the ECD portfolio?
- Anil Rai Gupta:** Actually, there is no GST change in the ECD portfolio for us. So it's only, as I said, in air conditioners, LED TVs and solar business. So for ECD, there is no change. But as you rightly said, the first half was affected by the summer season, which was not very strong. The second half, hopefully, with all these changes & positive outlook, we are hopeful for a good second half.
- Moderator:** The next question comes from the line of Pulkit Patni from Goldman Sachs.
- Pulkit Patni:** Sir, my question is on overall cost for the company. So when I look at employee cost, that looks to be the growth seems to be under check after quite some time. So until 2024, we were expanding that cost. Last 6-7 quarters, obviously, growth is not there, but we've also seen employee costs, etcetera, come down.
- Now is there a conscious effort for the company given the fact that growth has been quite seeded to look at some of these costs? And in a scenario that consumption was to come back, do you think as a company, we are rightsized right now or do you think we will have to sort of build on some of those costs? So what I'm trying to understand in short is how do you see the organization placed today in a scenario that there's an up cycle in demand that comes back after so many quarters?
- Anil Rai Gupta:** Well, first of all, over the last few years, if you've gone through our calls, you have seen that we have been investing heavily on rightsizing the company in terms of sales infrastructure, functional infrastructure, R&D, digitization. So there has been a lot of, I would say, investment towards building those teams. We believe that we are well placed in terms of getting the advantages of those investments. And that is now translating also.

Now the focus is to continue to increase productivity of this large workforce that we have. And not that we'll not continue to invest, but there will a lot of focus on productivity enhancement. Sometimes it can look a little bit more pronounced because of the lower season and sometimes the contractual workers like the demonstrators and all also get affected because of low season. But otherwise, generally speaking, there is a lot of focus on improving productivity of the manpower.

**Pulkit Patni:**

Sure, sir. Sir, my second question is, can you highlight what are the portfolio gaps that we have right now? I mean when we look at your product portfolio, it looks to be very, very wide across segments. But is there any obvious portfolio gaps that you feel that you could fill over the next 6-12 months, which could drive incremental growth? Or you think we are, by and large, present across most categories?

**Anil Rai Gupta:**

Look, this is a question which has been there in all calls since 10 years. Every time we keep adding something or the other, like chimneys and hobs has been added in ECD segment. We are creating a renewable segment wherein we are looking at EV chargers also coming in along with our solar.

Automation, we are looking at automation in a big way. So a lot of things get added within our existing portfolio. So it's not right to say that it's a pretty wide portfolio. But within those portfolios also, there's always -- within cables, for example, there's constant addition of maybe higher category of industrial cables or higher voltage cables. So there is constant addition, and it's difficult to say each and every product category that we introduce in an investor call. I mean this is more for our consumers and customers, which we constantly continue to look at our gaps and keep filling that.

**Moderator:**

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

**Achal Lohade:**

Sir, just wanted to understand from a broader context perspective, is it fair to say in last 3-4 years, competition in each of the category has actually intensified and pulling down the margins for the industry as a whole. Is that a fair assessment, whether it is fans, lighting or even small appliances or water heater for that matter where we keep on hearing every other company also talks about being in top 3 or 5? Just wanted to get your sense, has that been the case? And is it pulling down the contribution as well as the operating margins at the category level, each of these category level?

**Anil Rai Gupta:**

I think if you look at switchgear or you look at lighting, for example, our contribution margins and our EBIT margins have remained stable. If you compare it with some peaks or troughs, that may not be a right comparison. But generally, we have been very stable.

In ECD in the last 2 or 3 years, as we had mentioned, sometimes the raw material prices went up, they are not entirely passed on to the market. Things are actually coming back. In most of the categories, our water heaters, you mentioned, we have industry-leading margins. Switchgears, we have industry-leading margins.

Lighting, we have industry-leading margins. Fans, we have industry-leading margins. Yes, we are continuing to invest more in fans because of the change towards BLDC. Almost 40% of our fans are BLDC fans. So there is constant investments going on.

But I feel that the real play in Havells kind of a brand is premiumization. So while competitive intensity keeps going up in every category, our focus has always been our strength, innovation, distribution and brand. So I think those continue to remain. And really speaking, if you see even this quarter, Havells stand-alone (excluding Lloyd) continues to be about 12% - 13% EBITDA margins, and this will further improve. So I don't think that's really concern about dilution of margins due to increased competition.

**Achal Lohade:** Understood. And if I see in the last quarter, we had kind of commented that there is -- I mean, if the growth is normal, we can actually see a 150 - 200 basis point margin expansion for Havells stand-alone. Does that stay intact? Or could there be a change in that?

**Anil Rai Gupta:** That's why I'm very confident that these are the kind of things with productivity improvement, with cost rationalization, premiumization, I think that's something which we have to achieve.

**Achal Lohade:** Got it. And just a quick conclusion. In terms of -- is it fair to say that the demand is still kind of weak? It's not that we have seen any significant change in the demand in last few weeks. Is that a fair assessment? I know a few weeks it's too early, but still is there any turnaround in...

**Anil Rai Gupta:** As you rightly said, it's early to say because right now, 22nd of September, as I said, things have slowed down till then because the trade was not picking up. Then post that, it's just too early to comment upon that. I think let's wait for 1 quarter to actually see how things are. It's difficult to get a feel on that. And we are quite genuinely positive.

**Achal Lohade:** Got it. And just capex number, if you could quantify for FY '26, '27, like what kind of capex we can look at and which segment?

**Anil Rai Gupta:** FY 25-26 will be about INR1,450 crores. FY 26-27, right now, it's estimated about INR1,000 crores, but we'll know the exact numbers by end of March.

**Moderator:** The next question comes from the line of Latika Chopra with JPMorgan.

**Latika Chopra:** Two questions. One was just on broader demand. You commented a fair bit on B2C demand. But would like to note from you how you're sensing the B2B segment. Any specific thoughts on what are you seeing on the real estate side as well?

And the second bit was, if you're looking at your business plans over the next 2, 3 years, how do you view the export opportunity? And which of the segments you will be more excited about on that front?

**Rajiv Goel:** So Latika, on B2B, we continue to feel that the traction is there. Now one could argue whether the government capex will slow down because of the sort of the spend they have done on the

consumer side or the real estate cycle will finally sort of start slowing down. But as of now, I think there is a robustness in the B2B.

So if you ask us what we feel currently, we continue to remain positive on the B2B. However, on B2C, we believe the things are sort of improving. You cover FMCG, so I think you will have much better input than ours. But we do feel that the B2C should improve from here.

As regards the going forward on the international business, definitely, we see a lot more positivity there despite whatever the global issues being there because we believe these are something which will get resolved over some period of time.

And definitely, there key contenders for growth in international will be cable, switchgear and Lloyd (ACs), basically the air conditioners. So those will be the key contenders. And I think we are seeing good traction on the international side. So I think this is something we expect to continue and actually more positive going forward as well.

**Moderator:** The next question comes from the line of Manoj Gori with Equirus Capital.

**Manoj Gori:** Sir, the only question I have, if I look at when we do our checks at the ground level, we are able to see that there are a couple of brands, including yours, which has been carrying relatively higher inventories for room air conditioners. So what has actually triggered this or probably there is some mismatch versus your data points, can you throw some light on this?

**Anil Rai Gupta:** I don't think we would be very different than the industry. And maybe there could be some push sales in the first quarter or something which -- because the season didn't really come in the second quarter. It might be a reason. There are certain different practices by different industry players, but I don't think it will be very different. And as I said, third quarter would be normalized...

**Moderator:** The next question comes from the line of Aniruddha Joshi with ICICI Securities.

**Aniruddha Joshi:** Sir, 2 questions. One, if you can elaborate a bit more on the rooftop solar business now because the investment in Goldi Solar is now almost 2 quarters, 3 quarters ago. And now if you can indicate what are the revenue we are looking at in terms of 3 years, what should be the profitability? What will be the additional investment required in this business, etcetera, whatever you can share in detail? That is question one.

And while you alluded to EV chargers and some of the other businesses, we see Havells is still not in some of the businesses like hearables, wearables or even some of the new age businesses like CCTV cameras. A lot of these businesses are growing at a pretty fast rate and are using the same channels to some extent where Havells is already strongly present. So any plan to get into such new age products also?

- Anil Rai Gupta:** So as far as solar business is concerned, we have definitely good plans. We've made a large investment in Goldi. It's not been 2 or 3 quarters, it's starting of this quarter, last quarter only. The real benefits of that will start coming from the supplies point of view, strategic supplies. So because of these, we will continue to have a very good growth in the coming 2 or 3 years, as you have asked. And we can provide more details as we go along.
- As far as other product categories are concerned, look, I said earlier also in the call, there is a constant evaluation of new product categories by Havells. And when it makes sense for our brand, distribution channel, our kind of brand expansion, then we would inform you that we are investing that. But as I said, there are always white spaces available for a brand like Havells.
- Moderator:** Ladies and gentlemen, in the interest of time, we will take this as a last question. It's from the line of Uttam Kumar with Avendus Spark. Please go ahead.
- Uttam Kumar:** Yes. My question relates to the premiumization trend, which the company is incrementally focusing on to grow the various subsegments. Would you be able to give some clarity on what is the mix, which is there currently, let's say, in case of fans, what is the premiumization trend, which is there in case of the air conditioners, which are selling, let's say, 5-star inverter ACs? So what is the mix, which is there in that category? Could you just give more color on the premiumization mix across the various -- at least for the larger subcategories, that will be very helpful, sir.
- Anil Rai Gupta:** Yes, we can provide you these things because we track it regularly and how we are increasing the mix of premium products. All I can say on this call is that in products like fans, appliances, room heaters, air conditioners, our share of premium products and that there's a certain definition, share of premium products in the overall portfolio is high & increasing.
- Uttam Kumar:** Got it. Sir, and with regards to -- yes, one side, we're looking at premiumization increase. So how should we look at the margin profiles also improving from here on? So is there any scope for margins because of premiumization going up by, let's say, 150, 200 bps over the medium term, is there a possibility of that kind of a trend?
- Anil Rai Gupta:** In the medium to long term, yes. But initially, when we do that, there is always over investment in R&D spend as well as marketing spend. But over a period of time, you are absolutely right that this should help improve margins in the long term.
- Moderator:** Ladies and gentlemen, that was the last question for today's conference call. I now hand the conference over to Ms. Bhoomika Nair for closing comments.
- Bhoomika Nair:** Yes. Thank you very much to all the participants for being on the call and very much to the management for giving us an opportunity to host the call. Thank you very much, sir, and wish you all the very best. Thank you once again, and wish you a very happy Diwali.

**Anil Rai Gupta:**

Thank you very much, and have a very Happy Diwali to all of you.

**Moderator:**

Thank you. On behalf of DAM Capital, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.