



**Electricals**

August 12, 2025

To,

**BSE Limited**

:

**Code No. 500031**

Department of Corporate Services

Phiroze Jeejeebhoy Towers

Dalal Street Mumbai 400 001

**National Stock Exchange of India Limited** :

**BAJAJELEC - Series: EQ**

Listing Department

Exchange Plaza, Bandra Kurla Complex,

Bandra (East), Mumbai 400 051

Dear Sir/Madam,

**Sub.: Submission of the 'Transcript of the Q1FY26 Earnings Conference Call' of Bajaj Electricals Limited ("Company")**

Further to our letters dated July 29, 2025 and August 7, 2025, and pursuant to the provisions of Regulation 30 (read with clause 15 of Para A, Part A, Schedule III) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), we are enclosing the Transcript of the Q1FY26 Earnings Conference Call (i.e., Post Earnings/Quarterly Call), organized by Ambit Capital Private Limited on Thursday, August 7, 2025 at 4:30 PM (IST) wherein, inter-alia, the Unaudited Financial Results of the Company for the first quarter ended June 30, 2025, were discussed.

We request you to take the above on record and treat the same as compliance under the applicable provisions of the SEBI Listing Regulations.

Thanking you,

Yours Faithfully,

For Bajaj Electricals Limited

Prashant Dalvi

Chief Compliance Officer & Company Secretary

(ICSI Membership No.: A51129)

Encl.: As above.



## “Bajaj Electricals Limited 1QFY2026 Earnings Conference Call”

**August 07, 2025**



**MANAGEMENT:** **MR. SHEKHAR BAJAJ – CHAIRMAN, BAJAJ ELECTRICALS LIMITED**  
**MR. SANJAY SACHDEVA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER, BAJAJ ELECTRICALS LIMITED**  
**MR. EC PRASAD – CHIEF FINANCIAL OFFICER, BAJAJ ELECTRICALS LIMITED**  
**MR. VISHAL CHADHA – CHIEF OPERATING OFFICER, CONSUMER PRODUCTS, BAJAJ ELECTRICALS LIMITED**  
**MR. RAJESH NAIK – CHIEF OPERATING OFFICER, LIGHTING SOLUTIONS, BAJAJ ELECTRICALS LIMITED**

**MODERATOR:** **MR. DHRUV JAIN – AMBIT CAPITAL PRIVATE LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to Bajaj Electricals Limited 1Q FY26 Earnings Conference Call.

As a reminder, all participants' lines will be in the listen-only mode. And there will be an opportunity for you to ask questions once the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing “\*”, then “0” on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Dhruv Jain from Ambit Capital Private Limited. Thank you, and over to you, sir.

**Dhruv Jain:** Thank you. Hello, everyone. Welcome to Bajaj Electricals 1QFY26 Earnings Call. From the management side today, we have with us Mr. Shekhar Bajaj – Chairman of the Company, Mr. Sanjay Sachdeva – MD and CEO, Mr. EC Prasad – CFO of the Company, Mr. Vishal Chadha – COO for Consumer Products, and Mr. Rajesh Naik – COO for Lighting Solutions.

Thank you, and over to you, sir, for your opening remarks.

**Shekhar Bajaj:** Thank you very much, Dhruv. Good evening, ladies and gentlemen. I am Shekhar Bajaj – Chairman of the Company. Thank you for attending our 1Q earnings call.

We hope you had an opportunity to review our Financial Results and Earnings Presentation, which are available on the Stock Exchanges. I would also like to extend our heartfelt gratitude to all our shareholders who attended the AGM. Your continued trust, engagement, and participation are truly appreciated and form the cornerstone of our journey forward.

1QFY26 was marked by significant volatility and shifting market conditions. The Electrical and Consumer Durables sector started the quarter with cautious optimism, expecting an economic recovery and a strong summer season. However, the industry encountered a series of unexpected disruptions. Instead of the intense summer heat seen in 2024, the country experienced early and unseasonal rain in May, cutting the summer short. The premature onset of unseasonal rain in May disrupted the anticipated trajectory of consumer demand.

The sudden change of weather disrupted expected consumer demand, affected sales plans, and caused issues with inventory and supply chain readiness. It also dampened retail momentum, leading to a cautious pause in both consumer activity and trade confidence during the latter half of the quarter. In spite of such high volatility in the Electrical and Consumer Durable sector, while our seasonal business in consumer products performance was affected, our non-seasonal business has done considerably well.

Further, our Lighting Solutions vertical has delivered a standout performance for this quarter, delivering the highest EBIT margin of 10.6%. This not only reflects the strength of our portfolio diversification but also underscores our ability to respond with agility and precision in the

complex market environment. We remain confident in our strategic direction and the resolution of our business model. With continued focus on operational excellence, innovation, and market responsiveness, we are well-positioned to navigate short-term headwinds and unlock sustained value for our stakeholders.

I now hand it over to Sanjay Sachdeva – our MD and CEO, for detailed Business and Financial Highlights. Thank you.

**Sanjay Sachdeva:**

Thank you, Chairman. Good evening, ladies and gentlemen, and thank you for joining our Investor Call.

As Chairman explained, this quarter has been marked by considerable volatility, particularly in consumer demand patterns. To explain the results of this quarter, it is necessary to understand the business model in more detail.

- Firstly, I would like to highlight to everyone on the call that the Summer of 2024, which was last year, was exceptionally intense, leading to near stock-out situations across industries in categories such as air coolers, including us. These insights and learnings are factored into our inventory planning, demand forecasting, and investment planning this year. However, unexpected shifts in climate conditions significantly disrupted supply chain dynamics, impacting consumer preparedness and ultimately affected overall sales performance.
- Secondly, our business model is more centric towards seasonal products with Fans and coolers being seasonal heavy in Q1 and water heaters being seasonal heavy in Q3 and Q4. While the overall seasonal revenues were down in high double digits, the non-seasonal revenues were up in high single digits. Seasonal products like Fans and coolers were heavily impacted, thereby creating a drag on our overall performance. We saw around 45% degrowth in coolers, for example, and double-digit decline in Fans.

On the other side, the non-seasonal products have done well. As I said, we have high double-digit growth in most of the categories. When we see from this lens, it is clear that seasonal products bore the brunt of the early onset of monsoon. And this, we strongly believe, is a one-off trend for this fiscal year.

In spite of the volatility in the market dynamics, the Lighting Solutions vertical has done exceptionally well. Not only it has delivered a single-digit value growth, but also improved EBIT margins to 10.6%, as Chairman said, which is the highest ever EBIT since we crafted a separate vertical in 2022.

Further, Consumer Lighting witnessed double-digit value growth in general trade. We have improved our share in high-margin and value-creative products like ceiling and outdoor lights.

Professional Lighting have also delivered good growth, and we expect the same to continue in near future.

It is worthwhile to note that our brand investments for this quarter were high at 4% versus approximately 3% last year. Over the next year, next few quarters, our focus will be to increase top line, improve market share, continuing to spend heavily on the brands and other initiatives like revamped go-to-market, digitalization, manufacturing efficiencies, etc.

Lastly, I would also like to highlight the core fundamentals of our business model, which are a strong brand, strong primary and secondary distribution, better products, and, lastly, trustworthy after-sales. Our brand investments will continue in both above-the-line and below-the-line.

Our distribution will keep getting stronger as we calibrate the same. Our products, NPD, will contribute close to 40% of our revenues. And we continue to reinvest behind after-sales service in order to ensure they remain best-in-class. All these fundamentals remain strong and would not be affected by one-off seasonal impact.

Now, coming to numbers and other strategic initiatives:

We delivered an EBIT of 2.5% at the Company level, mainly due to higher EBIT in the Lighting Solutions vertical. The drop in EBIT is due to the operating leverage. However, our balance sheet continues to remain strong.

As you would have noticed on the exchange filing, in our continuous effort to foray into adjacencies and leverage our existing distribution channel as a first step, we are entering into switchgear products under our Lighting Solutions vertical. This is going to be synergistic with our existing business as we will be leveraging our existing go-to-market structure. We are very positive about this segment and expect it to help us strengthen our business model in Lighting.

We have taken an in-principle approval of restructuring our Nirlep business, which currently has a drag on our financial results.

With this, I would like to open the call for questions. Thank you.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Aniruddha Joshi from ICICI. Please go ahead.

**Aniruddha Joshi:**

Yes. Thanks for the opportunity. Sir, just wanted to understand within Fans, if you can share more details, which region has been affected more, East, West, North, South? And within that also, as we understand from channel check, the TPW is relatively more affected, so is that assumption also correct? Means, TPW is more affected than the ceiling Fans?

Lastly, any channel-related impact here? I guess MFI channel has been doing poorly for us for, I guess, some quarters now. So, is there any channel-led impact also, which is there in the numbers? And lastly, what is the inventory as on the, let us say, excess inventory on the books at the end of June quarter or even at the end of July? Yes, thank you.

**Vishal Chadha:** Yes. So many questions. Vishal here. I will first answer the impact. Yes, you are right, the TPW fans got impacted significantly higher than the Ceiling fans' business for us. And our dependence on TPW is stronger in the regions of East and South, and that is where the impact was felt the highest.

**EC Prasad:** So, just to give you a perspective, inventory is not in that precarious condition as far as we are concerned. And the cooler advanced billing in July has already started off well. So, we do not foresee any major issue as far as inventory buildup for coolers is concerned.

**Aniruddha Joshi:** Okay. And sir, in terms of, are there any additional initiatives the Company has taken as far as selling is higher trade commissions or higher discounts to the influencer, that is, electricians, or any additional consumer offer?

**EC Prasad:** No, nothing like that.

**Aniruddha Joshi:** Okay. Sure, sir. Okay, thank you.

**Moderator:** Thank you. The next question is from the line of Mr. Achal Lohade from Nuvama Institutional Equities. Please go ahead.

**Achal Lohade:** Good evening, sir. Thank you for the opportunity. My question is, first, in terms of the foray into switchgears. So, if you could just give your broader thoughts about this, what kind of capital deployment, what kind of revenue mix can we look at? And how much of our channel is actually an overlap here for the switchgear business? And will this be only switchgear, or will we also look at switches from the beginning itself?

**Rajesh Naik:** So, this is Rajesh here. And to be very open in terms of what we are trying to foray into is mostly a residential segment where we are strongly present through Consumer Lighting channel, and we are not looking at MV or HV switchgears. So, it is actually adjacency to our standard channel, and where the brand is strong and our reach is much higher. So, that is where we want to start. And I will not be able to give you the forecast in terms of what is the percentage of mix that will come in. But yes, we are looking at the industry size, we can see in the near future it can contribute to that 10% -15% contribution coming from there.

**Achal Lohade:** Sorry, did I hear this 10%, 15% of the Lighting can come from this segment, have I understood right?

- Rajesh Naik:** As of now, we are just starting, so we will get some idea in terms of acceptance, what the mix which we want to drive. And then we are targeting 10% to 15% by this financial year.
- Achal Lohade:** And given this is typically a high-margin segment, does it mean that this will be margin accretive, or do you think it will be initially a drag? And the sourcing, if you could highlight, would we be investing in manufacturing? What kind of capital expenditure or capital deployment are we looking at in this segment?
- Rajesh Naik:** As of now, we are targeting to maintain the margins at a similar level.
- EC Prasad:** So, Achal, initially, what we will be focusing on is capturing some of the markets. So, it's not so much about margins. So, we would like to maintain the same margin. And as already said by Sanjay and Chairman Sir, that the margins this quarter have been very healthy for Lighting, and we would like to maintain that. As you rightly said, this is a very margin accretive product, but initially, we would like to capture the market. So, that is how we look at it.
- Shekhar Bajaj:** Also, one more point, that we are not planning to do any major investment in this area, we will be mostly sourcing from outside.
- Achal Lohade:** Understood. And sir, on the Nirlep part, if you could give us some sense as to what has happened, what challenges are we facing? And what is the way out?
- EC Prasad:** So, Nirlep is a totally different GTM. And we have realized that instead of focusing too much on different spaces, it is better to concentrate on our core, because Nirlep is a totally different go-to-market. There is no synergy, and the factories of Nirlep were making losses. So, that is the reason we thought it is best to look at alternatives and concentrate on the core.
- Achal Lohade:** So, no cooker, cookware in that case, have I understood right?
- Vishal Chadha:** We will continue with the cooker under the Bajaj brand. What we are saying is that we will be looking at alternatives for the Nirlep brand.
- Achal Lohade:** Understood. Is there any one-off in terms of expenses? And just last question, if I may, with respect to how do we go from here on? We have seen market share losses in the past, and it seems that we have continued to lose some market share even in the last quarter. How do we see it from here on? If you could give some directional thoughts on this, please, across the category?
- EC Prasad:** Which category are you seeing?
- Achal Lohade:** So, let us say, for Fans or a water heater, or kitchen appliances.
- EC Prasad:** So, Achal, I think there has been a positive momentum in this quarter as far as the market share is concerned across all the categories.

- Achal Lohade:** Okay. So, you are saying basically Fans for the industry have declined in double digits, have I understood right?
- EC Prasad:** Yes.
- Achal Lohade:** And just the directional thought in terms of growth, etc.
- EC Prasad:** Achal, I did not get you clearly.
- Achal Lohade:** So, in terms of the growth outlook from here on, given we are talking about improvement in the rural sentiment, given the robust monsoon, and also the, how do you see it for us?
- EC Prasad:** Very difficult to comment. It all depends on how the season plays out. So, we are all looking at this festive season very keenly. And probably once we see a good festive season, then we can comment on that. But after having seen Q1, I think we cannot comment on what the year is going to look like.
- Achal Lohade:** Got it. And just last clarification, if I may, sir. What is the exposure to products which are sold predominantly during the festival time? If you could give some sense, is it 25%-30%? Or is it 50%-60%?
- EC Prasad:** So, we will come back to you. I do not have the figures ready, Achal, I will get back to you.
- Achal Lohade:** Sure. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Natasha Jain from PhillipCapital. Please go ahead.
- Natasha Jain:** Thank you for the opportunity, sir. I have two questions. First one, in terms of your Consumer Products segment, your presentation mentioned that you have double-digit growth in water heaters. Just trying to understand, is this predominantly because of a shorter summer? Or is there a trend change that we are seeing that products like a geyser water heater have now become a year-round product and not just a winter product? The first question is that.
- Vishal Chadha:** So, our guess estimate on this is that it is because of the early onset of monsoon, and typically the sales of water heaters do tend to pick up during that period, so that has been a reason for the positive momentum also.
- Natasha Jain:** Got it. So, sir, does that mean that water heaters probably going down the line may not see that stronger growth in the appliance category, or do we expect the momentum to continue?
- Vishal Chadha:** It really depends on, as EC just explained in the previous question, that it all depends on how the season pans out, and we remain cautiously optimistic.



- Natasha Jain:** Understood, sir. Question in terms of Lighting. You have mentioned that you had single-digit volume growth and double-digit value growth, so just trying to understand, are we behind in terms of the entire price deflation that was taking place, and because we have premiumized here or gotten better products, the value deflation is not impacting us? Because if I see the peers' numbers, even the largest premium player in the industry, they saw a margin decline primarily because of price deflation. So, if you can understand on those trends.
- Rajesh Naik:** So, the industry has been seeing the price erosion, which continues for some time. And as I mentioned in the last call also, it may continue for the next one or two quarters. But yes, we have, we were driving our product mix, which was more towards lamps and batten, which is almost like a commodity. And we were able to change our mix from the high premium products coming from ceiling lighting as well as the outdoor Lighting, which has now improved from 14% to 30%. And because of this, even the volume growth was not there, we were able to achieve double-digit value growth.
- Natasha Jain:** Understood, sir. Thank you so much. All the very best.
- Moderator:** Thank you. The next question is from the line of Dhruv Jain from Ambit Capital. Please go ahead.
- Dhruv Jain:** Thank you for the opportunity. My first question is on Lighting. So, you mentioned in your presentation that you have seen growth in Consumer Lighting. Just want to understand, so that basically means that there has been some in the B2B Lighting, right? So, just wanted to understand what is happening on that front? How much of it really contributes to the overall Lighting mix? And how are you looking at the B2B Lighting side over the next, say, two years or so?
- Rajesh Naik:** The mix, if you see, the major growth has come in Consumer Lighting, and that too from the trade. We are still having drag on the alternate channels because of MFI, which has not grown, which actually is a decline. And that is why the overall growth, if you see, is not in double digits. Otherwise, if we would have got that MFI piece also running, then we would have in the double-digit growth also. But yes, talking about B2B, we are seeing good traction there. A lot of infrastructure projects are coming in. We are on the winning track for major projects. And we see in the next two-three quarters, we should be able to show good growth in the B2B segment as well. I will not be able to give an exact number as to what percentage we will be growing. But yes, there is a good traction and good acceptance in infrastructure.
- Dhruv Jain:** Sir, the order book that you would like to share?
- Rajesh Naik:** It is around Rs. 210 crores is the order book what we have as of now.
- Dhruv Jain:** In the B2B side, okay.

**Rajesh Naik:** Yes.

**Dhruv Jain:** Sir, my second question is on just trying to understand this switchgear a little better. So, switchgear is not a category that we see that can grow beyond 8%-9%, at least one of the peers that it will not grow beyond 8%-9%. It is also a category that will require a lot of investment in terms of awareness of the brand and marketing, right? So, just trying to understand, how difficult it will be for Bajaj or how easy it will be for Bajaj to scale up this vertical, given the fact that growth is not the best in this category, and being a new entrant, how are you thinking about it?

**Rajesh Naik:** Basically, the thought behind entering this category was adjacency because we are not creating a separate vertical for us, we are using the current infrastructure in terms of our reach, in terms of our people and in terms of our distribution network, which is currently operational in the market for Consumer Lighting, and we are taking leverage of that.

Yes, I agree there are a few people who are growing much faster, but it is, again, a big opportunity because of urbanization and a lot of new buildings, new towns are coming up. And that is where we thought we will be able to make an impact because of our brand name as well as our network, which is there in Consumer Lighting as well as consumer products.

**Dhruv Jain:** Sir, my third question is on the consumer product segment. So, in this quarter, we have seen that coolers have dropped by about 14%. Now, if you could just give a broad share of, so I do not want the exact, but if you can give a broad share of what individual category contributes as a percentage of revenue within the consumer products segment, so that we can get a sense of how we should think about growth going forward?

**EC Prasad:** So, Dhruv, we do not disclose the share of coolers as a percentage of total business. But having said that, the market survey says that we are number two position, back to number two position as far as the cooler is concerned.

**Dhruv Jain:** Okay. Last question on capex, if you can just spell out what will be your capex for FY26 and FY27?

**EC Prasad:** So, we will be predominantly investing on new product development. And you have already seen in March, the budget approved is about Rs. 140-odd crores. Plus, we are also evaluating the new factory. And as and when it comes up, we will let you know.

**Dhruv Jain:** Thank you so much. All the best for the future.

**Moderator:** Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to the management for closing comments.

**Shekhar Bajaj:** Thank you very much, Dhruv, and thank you to those people who have participated in this conference. This quarter, for me, it was not at all satisfactory, but there were circumstances



*Bajaj Electricals Limited*  
*August 07, 2025*

which has been explained. We are hoping the next three quarters should be much stronger. And at the end of the year, you should be satisfied that we are improving everywhere. Thank you.

**Moderator:** Thank you. On behalf of Ambit Capital Private Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.