

Ref: OEL/BSE-NSE/2026-27/13

May 15, 2026

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor,
Plot No. C/1, G Block
Bandra Kurla Complex
Bandra (E), Mumbai 400051

BSE Limited

Phiroze Jeejeebhoy Towers
Fort, Dalal Street
Mumbai – 400001

Symbol: ORIENTELEC

Scrip Code: 541301

Dear Sir/ Madam,

Sub.: Transcript of Earnings Call for the 4th quarter and financial year ended March 31, 2026.

In continuation to our earlier letter dated May 4, 2026, filed in terms of the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding participation of the management of the Company in an Earnings Call, to discuss the Audited Financial Results of the Company for the 4th quarter and financial year ended March 31, 2026, scheduled on Friday, May 8, 2026 at 04:00 PM (IST). In this regard, the transcript of the Earnings Call is attached herewith. Further, the said transcript is also available on the website of the Company at <https://orientelectric.com/pages/earning-calls> .

You are requested to take the above information on record.

Thanking you,

For **Orient Electric Limited**

Diksha Singh
Company Secretary

Encl: As above



“Orient Electric Limited
4QFY26 Earnings Conference Call”

May 08, 2026



MANAGEMENT: **MR. RAVINDRA SINGH NEGI – MANAGING DIRECTOR
AND CHIEF EXECUTIVE OFFICER – ORIENT ELECTRIC
LIMITED**
**MR. ARVIND VATS – CHIEF FINANCIAL OFFICER –
ORIENT ELECTRIC LIMITED**
**MR. SAMBHAV JAIN – HEAD, INVESTOR RELATIONS –
ORIENT ELECTRIC LIMITED**

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

Moderator: Ladies and gentlemen, good day, and welcome to the Orient Electric Limited 4QFY26 earnings conference call hosted by Ambit Capital. 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 this conference, please signal an operator by pressing star then zero 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. Thank you, and over to you, sir.

Dhruv Jain: Hello, everyone. Welcome to Orient Electric's 4QFY26 Earnings Call. From the management today, we have with us Mr. Ravindra Singh Negi, Managing Director and Chief Executive Officer; Mr. Arvind Vats, Chief Financial Officer; and Mr. Sambhav Jain, Head of Investor Relations. Thank you, and over to you, sir, for your opening remarks.

Ravindra Singh Negi: Thank you, Dhruv, and a very good evening to everyone, and a warm welcome to Orient Electric's 4Q and Full Year FY26 Earnings Conference Call. Thank you for joining us today. I will begin by outlining the operating context for the quarter, followed by our performance highlights and key actions that we executed during this period. During the quarter, industry's operating environment was primarily affected by persistent commodity inflation, ongoing labour shortage, and gas supply disruptions resulting from the West Asia crisis.

Additionally, a softness in demand emerged, coinciding with the unseasonal rains, leading to a slow start for cooling categories. Elevated channel inventory prompted dealers to approach replenishment with caution. These challenges are expected to remain important factors to monitor going forward.

Amid this unprecedented situation, we delivered a double-digit revenue growth in quarter 4 and further improved our EBITDA margins. Revenue from operations stood at INR948 crores, up 10% year-on-year, supported by broad-based momentum across our portfolio.

This performance reflects a disciplined execution of the One Orient approach anchored in our 3-wall strategy that focuses on multiple growth avenues while extracting synergies from our established ecosystem, underpinned by premiumization, innovation, diversification, and operational discipline. Importantly, our diversification engines continue to scale, improving the quality and resilience of growth across both lighting and ECD portfolios.

Lighting and Switchgear remains a structural growth engine, delivering 16% year-on-year revenue growth. Driven by distribution expansion, portfolio premiumization, and steady market share gains in Consumer Lighting. The Consumer Lighting business witnessed a double-digit growth with a meaningful improvement in volume-to-value conversion.

Our share of high-value Luminaires expanded to 68% versus 63% last year, supported by strong traction in key premium categories. Professional Luminaires were largely flat this quarter. However, we continue to see a strong project inquiry pipeline across street lighting and facade projects.

Our emerging growth engines, switchgear, and wires scaled well, delivering high double-digit growth. Wires doubled year-on-year, while switches and switchgears sustained a good momentum as we accelerated our electrician engagement initiatives and leveraged our fans and lighting distribution ecosystem for effective cross-sell.

In the ECD segment, revenue grew 7.6% year-on-year despite softness across the industry. Growth was led by a strong on-ground execution in our DTM states, driving deeper penetration and market share gains. Fans delivered a high single-digit growth, outperforming peers, driven by our distribution strategy and continued focus on premiumization and product development.

Our BLDC portfolio grew over 50% year-on-year and now contributes 25% of domestic ceiling fans revenue, while our overall premium mix increased to approximately 35% of domestic fan revenue, up from 30% in the previous quarter.

Premiumization and innovation-led launches remain a core pillar of our growth. A key highlight of the quarter was the introduction of Aero O2, India's first oxygen-enriching ceiling fan, powered by advanced bioxy plasma ion technology. This breakthrough innovation goes beyond air circulation to deliver fresher, healthier air across all seasons.

The Samvad platform, launched earlier this year, has further improved service delivery experience by enabling deeper consumer insights and faster issue resolutions. This also demonstrates our commitment to consumer centricity, ensuring that customers receive prompt and personalized support at every touch point.

Our appliances portfolio sustained its upward trajectory with strong traction in heating and garment care appliances and delivered high double-digit growth on our e-com platform. Our overall e-com business scaled with market share gains, delivering high double-digit growth, supported by a strong assortment, effective digital engagement, and healthy consumer traction. Quick commerce now contributes 10% of our digital channel.

During the quarter, we scaled our presence on big basket and now covering all major quick commerce platforms. Our exports business also grew at a double-digit rate, expanding our international presence across key markets.

However, we are closely monitoring the geopolitical tensions in West Asia to manage any potential implications proactively. Operational discipline remains central to our approach. In the context of commodity inflation and the star rating transition, we implemented calibrated price actions of approximately upward of 4% in Q4.

Our Sanchay program continued to deliver tangible benefits, translating into INR68 crores of cost savings during FY26 and supporting margin resilience. Gross margin for the quarter stood at 31%, impacted by commodity inflation. Despite this, EBITDA margin improved to 8.2% and absolute EBITDA at INR77 crores, up 15.8% year-on-year. PAT stood at INR40 crores, up 28.9% year-on-year, reflecting the benefits of operating leverage.

For the full year, revenue grew to INR3,326 crores, up 7.5% year-on-year. EBITDA increased to INR229 crores, up 12.4% year-on-year, and PBT before exceptional items stood at about INR139 crores, up 24.2% year-on-year.

Overall, our FY26 performance validates our long-term strategy centered around premiumization, innovation-led differentiation, and a structurally strong go-to-market and service ecosystem, supported by sustained investments in brand building and an accelerated digital-first approach.

As we enter FY27, our priorities remain consistent around the 3-wall strategy, which focuses on scaling our diversification engines, accelerate premiumization and innovation, deepen distribution and service capability and drive disciplined execution to strengthen profitability.

We will continue to drive mix improvement, cost discipline, and execution rigor while staying agile to commodity pressures and regulatory developments. We expect the demand to improve in Q1, supported by a forecast of a hotter and more prolonged summer, which could drive a late-season surge in demand across the fan and cooling categories.

We implemented calibrated pricing actions early in the 1Q to address commodity price inflation, and we will continue to evaluate further steps to offset the impact of recent global disruptions. While cost recovery remains a priority, we are conscious of preserving competitiveness. Our approach will, therefore, remain measured and responsive to market conditions, focused on protecting margins while retaining and gaining share.

With these remarks, I would like to open the floor for your questions. Thank you.

Moderator:

Our first question comes from the line of Aniruddha Joshi from ICICI Securities.

Aniruddha Joshi:

Congrats for a good set of numbers amid the steep volatility. So the price hike of 4% in fans seems to be very low given the inflation in input prices plus the BEE norm change. So, how much more price hike is required to pass on the entire incremental cost burden? Question number one.

And secondly, you mentioned market share gains in fans in the presentation. So if you can give more color on that, whether the market share gains are in, like the ceiling fans or BLDC, or in a way, TPW, and or overall? And any region-wise color also, if you can give either the direct market, whether we have gained, or other markets we have gained. So that will be helpful. Thanks.

Ravindra Singh Negi:

Thanks, Aniruddha, for your question. And let me just step back and tell you about the 4% that I spoke about is something that we took about 2.5%- 3% in January. Then we took another 1%-1.5% in March. And in April, we've taken about close to 6% price increase. So that's how we staggered it. So the 4% or a little upward of 4% that I spoke about is only for quarter 4.

And if you look at it, while star ratcheting and other things had its impact, but it's -- for us, the incremental impact was slightly lesser than the industry because our products were slightly

specced well. And a part of our portfolio didn't have to go through much of a change. So that's where I would give the first part of the question.

And I've already explained that 6% is something that we've taken. As an industry, I don't think so because the situation is so volatile, Close watch on the price and commodity price inflation has been kept. And if there are any further actions that need to be taken, we will take that.

In terms of market share gain, we've gained about 30-40 basis points, and this is all a third-party report that we all subscribe to. The gain has been slightly secular for us. If you look at it in our portfolio and our efforts, it's not that we've just driven BLDC in ceiling fan, and we've not upgraded our portfolio on exhaust or TPW.

So it's been slightly secular across different channels, across different markets. There's been some ups and downs in the regions that you would say. But I would say, by and large, it's a very much consumer confidence, which is coming across different channels, whether it's a digital or an offline channel that we've seen.

As we move further, we are launching some more products, which are going to be industry-first, like the Aero O2 that we've done. And this will give us further gains as we move forward in market share. Trust that answers your question, Aniruddha.

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

Manoj Gori: So my question is on the direct distribution model, where we have replaced super distributors or the master distributors, and we are aligning our distribution model into those respective states. How has the progress been during the year If you can quantify with a few examples for a couple of states, how the growth has been versus earlier? And probably if you can highlight if the entire benefit has been seen or we expect some more benefit to kick in during FY27, also from this market? This is my first question.

Ravindra Singh Negi: All right. So Manoj, let me just take that question. And as we said, DTM or MD, these are 2 go-to-market models that we have. And unlike any other company, we have the advantage of toggling between any of the 2 models, which works well for that particular market. What do we want to deliver. We want to deliver a deeper distribution. We want to deliver a better connection with the retailer. We want to do premiumization. We want to establish a better consumer service and a centricity, resulting in a volume, value, and a market share gain. So wherever we are seeing this, we take a model, and that works well there, and we continue with it.

So it's never going to be either a DTM or MD, it's going to be a balance of both, provided either of the model delivers what the expectation on these few parameters that I spoke about. Last year, we did Pune and Vidarbha belt. So that market has been doing well. And now as we enter the season, we'll see the real benefits of our DTM there.

Otherwise, for all the markets that we've gone and done DTM, we're seeing traction. And I said they've grown well in quarter 4 also. We don't disclose market-by-market growth. But by and large, I can tell you that these are the markets where we are getting market share gains and we are growing faster than the industry.

Manoj Gori: Okay. The second question is -- so even if you look at our discussion, it has been revolving around fans, lighting, which have been our core product categories. And historically, we have entered into many new categories like air coolers or even wires or even appliances like mixers, water heaters, and all. If we look at relatively I'm sure like even you would agree to that, that the progress has been relatively slow as compared to the traction that we have built in fans and lighting. So what are the plans ahead, and probably these will be the categories that will drive faster growth for the company. So what is the thought process over there, and how are we targeting to scale up these categories?

Ravindra Singh Negi: So Manoj, I don't know whether we've met and I've spoken to you in person or not. We've always said there is a 3-wall strategy and a diversified portfolio approach. We are dialing up all parts of our business and looking at either the specifier or go-to-market for that specifier, which could be a contractor, electrician, architect, interior designer, or end consumers.

So we are looking at all 3 parts of the business. We start scaling up switchgears, switches and wires, and we're seeing a large traction there. We've spoken about the high double-digit growth that we're seeing. For us, we've simplified our portfolio in appliances, and we are very much focused on appliances, which gel with our electrical trade.

So we've grown by a very high double digit, gained market shares across different channels in water heaters, in heating categories, and some of the garment care categories. So while we look at appliances at an overall value and then pass our judgment on them, these are parts of those that we are driving well.

So from an overall perspective, we are taking not just one approach of driving fans only, or one demonstrated success that we've shown in lighting, we're saying different parts of our businesses will be driven because the end consumer or the link to the end consumer is different, and that's how we've been driving. So maybe in one of the conversations next time we meet, I'll explain to you in detail about our 3-wall strategy.

Moderator: Our next question is from the line of Love Gupta with Counter Cyclical Investments.

Love Gupta: So, firstly, I wanted to understand why our working capital days have increased. It's gone up to over 30 days from 23 days last year. So what was the reason for the same? And secondly, we had guided for double-digit margins over the next 6 to 8 quarters, but we have been unable to achieve the same. So what was the reason for the same? And when can we expect to reach double-digit margins?

Ravindra Singh Negi: So let me just tell you about the working capital. If you look at it, there's been a little bit of inventory that we've built up, and our payables have gone up a little bit. So overall, if you look at it, that's where the reason for our working capital days going up, largely from a perspective that we were building up, we saw the disruptions in supply, and that's why we were building up a little bit of inventory for us. So that's on the working capital. The other is in terms of -- sorry, can you just come and repeat the question?

Love Gupta: Double-digit margin.

Ravindra Singh Negi: Yes, yes. Sorry, on the double-digit EBITDA. So look, we've always given guidance of saying 32% to 34% should be our gross margin. Given the sudden impact of the West Asia conflict, given the sudden supply disruption and an immediate commodity price increase, we couldn't -- and none of us in the industry could take a price increase in March. And all of that, the calibrated increase has happened in the month of April. So it's impacted our gross margin, I would say, about 100, 150 basis points.

Overall, if you look at it, there's been a lot of effect on our cost measures that we've taken. Our operating EBITDA has improved by almost 40 basis points to 8.2%, and hence, we are committed to our path to double-digit margins. So that's what I can tell you. It's been a very challenging environment. But yet in that challenging environment, we've improved our EBITDA margins.

Love Gupta: So, can we expect to reach those levels once the situation starts to normalize and the supply chain is efficient again?

Ravindra Singh Negi: Given the commodity inflation to subside and supply disruptions to go away, from a structural perspective, we are trending towards a double-digit margin. And our actions, our cost discipline, our execution rigor, our multi-engine growth, all that is syncing in well to take us there provided some of these unprecedented, unanticipated surprises don't come in, hit the industry the way it has hit us, hit the industry now. But given that, we've also improved our EBITDA margins by about 40 basis points.

Love Gupta: And sir, could you quantify what the price hike was this quarter across our portfolio? And if there are any further price hikes planned?

Ravindra Singh Negi: So I just said that I responded back to Aniruddha, and we've taken about approximately 6% price increase in fans, about 6% -- a little over 6% in lighting. So by and large, even in switchgears, we've taken about 6%. Wires are literally almost every 15 days, 3 weeks, that we've been taking a price increase. So we are very conscious of the fact that beyond a certain point, there has to be commodity price inflation that needs to be passed on, and we've done it in a calibrated way.

Moderator: We request you to please rejoin the queue if you have any further questions. Thank you. Our next question is from the line of Saumil Mehta with Kotak Asset Management Company.

Saumil Mehta: Congrats on a good set of numbers, Mr. Negi. A few questions from my side. In terms of the project Sanchay, obviously, we've seen significant cost benefits over the last 2 years. This year also, it is about INR68 crores. Do you believe the large part of the cost efficiency is behind us? And within that INR68 crores, can you broadly classify how much is material and how much is outside of material in terms of cost savings?

Ravindra Singh Negi: So Saumil, thanks. We've started this Sanchay program about 3, 4 years back. And the first year and the second year, we thought we've juiced it, maxed it out. But every time we look at it, there are opportunities that we find. This year, we've done about INR68 crores. And there are multiple levels that we look at it.

There is VAVE that we do in the product. There are renegotiations that we do, and there are process reengineering that we do. So I can't disclose what is contributing what, but there is a summation of all that, which gets quantified at INR68 crores. But as we move on, this is a continuous -- so it's not a destination, but it's a continuous journey that we are on.

Commodity prices go up, you look at different alternate materials. So that's in a way Sanchay keeps us committed to that double-digit EBITDA journey and keeps us on our toes. So that's a very structured program reviewed at the highest level across the organization. There are people who are committed to delivering this.

Saumil Mehta: Okay, okay. My second question is with respect to the ECD. Would the contribution of fans in the overall ECD have gone up or stayed flat? I'm asking on a Y-o-Y basis from FY26 to FY25?

Ravindra Singh Negi: Would be, by and large, in the same range for ECD in the fan. We are dialing up the other part also. So we're dialing up the water heaters, we're dialing up garment care, we're dialing up room heaters in quarter 4, and a little bit of extended winters also helped in that case.

Saumil Mehta: And would it be fair to assume that there would be a mid-single-digit volume growth in fans as well, or the number could be even higher to that extent?

Ravindra Singh Negi: Yes, there is volume value both that we got it. And largely, if you look at it, a lot of our efforts in terms of new product development, which now contributes almost 24% of our fans revenue and a real focus on premiumization that's helping us get the volume value synergized output.

Saumil Mehta: Sure. And my last question, in terms of the new series of fans, which we have launched, what would be the broad range pricing point, the starting pricing point? And which key markets have we introduced in as of now? That would be my last question.

Ravindra Singh Negi: So there's a series, I'll pre-empt a little bit because some of this has already hit the market. We've done a series of India's first innovation that we've done. So Aero O2, which is oxygen enriching is in the range of about INR16,000. That's gone to key metros and key Tier 1 towns. And that's a high-priced product.

Then there is Aerosilent, which is India's most or India's quietest fan, which is under 50 dB of noise levels. That's going to be across as we speak, it's getting rolled out across the country. That's in the range of about INR 8,000.

The third is also what we've done, which is a great innovative product, and coming from deep consumer insights and understanding, is India's first inverter battery backup ceiling fan. It can give you a battery backup of almost 6 hours at a certain speed. So that also is getting rolled out. So some of this, plus we've got into BLDC and TPW.

There's a huge range that is coming, and everything will be at a different price range. But what we've done is that we've spent a lot of time solving for consumer problems, solving for consumer needs. And I think that's what is going to reflect not only our product, but also in the touch, feel, and the form factor that you'll see in our products.

Overall, the design language is premium. Overall, the consumer benefits stem from the consumer insight. So a huge amount of effort has gone into fans and into lighting also. And a similar thing that you'll see in switches and switchgear is also coming in, a similar approach that you'll see in some of the products that we'll roll out, say, in our water heaters or room heater category. So you'll see a consistent brand synergy or a language, design language, and an approach that will start coming in all our products.

Moderator: The next question is from the line of Rachna Kukreja from SIMPL.

Rachna Kukreja: I have a few questions. My first question is, our ambition was to improve the mix of premium products as a percentage of domestic fan mix from 30% to 40% over a few years. And in FY26, premium products contribute 35%. Though the premium mix has improved by 5%, our gross margins have remained stable in FY26 despite taking price hikes to offset inflation. So if you could provide what factors have restricted our gross profit margins from improving despite the benefit from better product mix and price increases.

Ravindra Singh Negi: Yes, a good question. I've said it, I said it earlier, also right now, that the pricing or the calibrated price increases that we've taken, not only us, but for the industry that has taken, it is not offsetting the commodity or overall inflation that's hitting. So while commodity becomes the headline inflation, there are so many other inflationary costs or increases that start to come in.

Shortage of labour resulting into low productivity is a cost inflation. Gas going up or the commercial LPG unavailability and the price going up is a commodity cost inflation. And then some of the other things that which impact the industry, the supply ecosystem is in the north.

Haryana increased the minimum wages by 35%, UP followed by 24%. That's the cost inflation that comes in. So, while we keep looking at commodity and say, oh, commodity is equal to commodity we have done, the cost of running the business or cost of production across categories, across the industries has really gone up.

While we've taken calibrated increases, all of it by the industry has not been passed on to it. It is --, and if you look at some of the peer results and all, while operating, EBITDA has dropped. It is actions like focus on premiumization, which is helping us improve our EBITDA, given the fact that we still have a gap between the cost increase and what we've taken from the consumer.

Rachna Kukreja: My second question would be if you could provide some color on the Hyderabad plant and its current utilization levels. Has it reduced delivery time and cover up any inventory constraints in South and Western markets?

And also, Hyderabad plant had an idea of growing the export business, which has grown as per the investor presentation. And within exports, how has the growth for TPW fans been? And has the mix of TPW fans improved for us. And correspondingly, has any growth in exports contributed to our gross margins?

Ravindra Singh Negi: So too many questions rolled into one, Rachna let me just try and answer. So largely, Hyderabad is now seeing traction in the utilization because a large bit of our production of TPW is in Hyderabad. Currently, it's split between Kolkata and Hyderabad. We are seeing our TPW

production going up. We're seeing early signs of TPW traction coming in South. South is showing green shoots of good summer.

So too early to say, too early to conclude, but that's where we are seeing the traction happening. Exports have done well. We've grown by double digit on exports. TPW is a significant part of exports, but exports is also a large part on ceiling fan, and we do both from Hyderabad. Moving forward, it will be a good hub for us to continue to produce for export markets.

So overall, we're seeing benefits of the factory being in Hyderabad. It also solves for a large part of our logistics cost and speed to market much faster than having a factory either at Faridabad supplying or Kolkata supplying to South.

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

Nattasha Jain: Congratulations, sir, on a good set of numbers given an extreme volatile market. Sir, 3 quick questions. One, I wanted to understand, so fans is not as much a seasonal product as, say, a room AC. So, on that line, could you help us understand what is the broader revenue split for fans on a 4-calendar quarter basis?

Ravindra Singh Negi: Okay. So, if you could look at this data from an absolute consumer angle first, and I think that's where we need to look at it and not from a primary perspective because those 2 could have a different cycle. From a consumer angle, about 45% of the offtake happens between 1st March to end of June. That's the consumer cycle. 55% of it happens in the balance of the year, and it could vary from region to region

If you look at it from a 4 quarter, it is not a very uniform from a primary perspective because then you mirror the cycle of production, mirror the cycle of trade loading. So those may not be the ideal comparisons to do. In between around Diwali time, you get a little bump in consumer offtake again. But otherwise, depending on whether you're doing a first-time buy or you're looking at economy, economy gets a little skewed related to season.

But when you look at premium and into some of the categories like BLDC, they are far more linear, they're far more consumer offtake happens because of upgrades and renovation. So that is far more linear. But from a consumer angle, 45% happens between March to June.

Nattasha Jain: That's helpful, sir. Thank you. Second question, could you also throw some light on the channel inventory for cooling products? Given that summer has actually picked up only from, say, mid-April, are primaries as fast as the secondaries?

Ravindra Singh Negi: So unfair for me to give you a real live quarter 1 update. But quarter 4, obviously, the buildup happens. So, there is a buildup that happened, but I don't think so the buildup happened dramatically higher than any normal there. So, quarter 4, the buildup wasn't abnormal. It was a normal buildup.

Quarter 1, as we speak, there were a period of good 2 weeks where there was extreme heat in the North and the South. As we speak, there is South, which is going to heat parts of West, which

is going on for the last few days, North is a little cooler than what it is expected. But I won't comment on here and now data on primary and secondaries right now.

But whatever we can read about Super El Nino, this could see a little late surge in summers also and a little more prolonged summer that we can see. So, keeping our fingers crossed, hopefully, it should be a good summer.

Nattasha Jain:

Got it. And sir, one last question. I mean, given almost all industries are facing abnormal cost headwinds and summer also, it was half there, half not there, sometimes it rains and sometimes it didn't. So, is it fair to say that at least calendar '26 will be a year of, say, protecting margins rather than improving? And on that note, we closed FY26 at 6.9% consolidated EBITDA. Any kind of guidance that you could give us for '27 as well? Thank you.

Ravindra Singh Negi:

So, I would put FY26 in 2 halves. The H1 was a real wash out. I don't think so. The summers have been as weak as what it was last year. When I look at my H2 and my exit, I've exited H2 with an improvement on EBITDA margins. Yes, the challenges on commodities stay there, but all of us are putting our efforts to navigate these headwinds.

Our entire focus is to make sure that we are in the premium category where the consumer is slightly more cocooned to inflation and is willing to pay you if you provided you give them a value and a unique and innovative product. And that's the entire effort for us this year. And as I said, we are dialling up all parts of looking at the 3-wall strategy, delivering growth from all factors and not just one category. And that's the portfolio approach, which will help us.

Moderator:

Our next question is from the line of Rahul Agarwal from Ikigai Asset.

Rahul Agarwal:

My question essentially is a bit longish. It's been about 2 years you've taken over at Orient Electric. I'm sure you would have done a lot of changes we have noticed across new product launches, channels, go-to-market, manufacturing stuff like that. Looking at '27, I think is obviously challenging. Everybody knows that.

But if we take a 3-year view, right, inflation has been missing in this industry, right? And this question is more on industry and Orient as well. That given that pricing is now coming back, though driven by inflation and whatever happens from the input cost perspective, a lot of other costs you highlighted already. Ultimately, this pricing increase helps to absorb fixed costs, right?

I mean, we have this Hyderabad plant sitting in the opex as well here, where we need to get better summers, better export demand to utilize better and absorb those costs better. We have the pricing hikes happen; volume growth should pick up really because of summer tailwinds. Last year, summer was bad. This year, summer looks okay. Does it look like an inflection point to you?

The question is more from a fiscal '28, '29 perspective at INR3,000 crores sales, INR100 crores profits. Do you think getting back this pricing in the industry is very positive for everybody and Orient and incrementally double-digit growth with double-digit margins to something, we should now look at it much more positively. Maybe timing is uncertain, but maybe 3 years out,

fiscal '28, '29, you actually achieve it purely because now you have pricing tailwinds. So just some context on this, please. Thank you.

Ravindra Singh Negi:

Thanks, Rahul. And I remember 2 years back when we met and you had a little bit of pessimism, and happy to hear a little bit of optimism coming about Orient from you and that's helpful. Let me just reflect back of what you call pricing power. I don't see it as a pricing power. I think it's a catch-22 situation that the industry has got into and I'm largely reflecting from an industry perspective right now.

It's a catch-22 situation. When the inflations go up, do you absorb? Do you don't absorb? If you don't, what do you do? If you do, what is that the market can absorb? So I think it's not a pricing power that has come in. It's a pricing action that has been taken by the industry, which I think is a good step, whether it was forced, not forced, but it is, I think it was inevitable that nobody could absorb that.

When I reflect back on what our real pricing power is, the real pricing power is when you understand consumers very deeply and you are able to give a value to the consumer for which he or she is willing to pay you. The effort in Orient over the last few years has been to understand consumers, become a far more consumer-centric organization, design, develop products, not just for basic functionality, but to satisfy the need of a consumer for either a design output, which is taking care of the lifestyle needs or solve for the tech need that the consumer has.

So I think not just fans across all categories, we've been able to do this. We should catch up and I should take you through our thinking on the 3-wall strategy. And hence, once you hear that, maybe you'll be far more optimistic about our journey towards INR5,000 crores and a double-digit EBITDA there. But we seem to be on the right trajectory, but a lot more to do from a consumer expectation and fulfilling the consumer expectations and a lot of white spaces to cover, as I can say.

Rahul Agarwal:

Got, got it, sir. And to clarify, I mean, fiscal '27 margins retaining or increasing margins is going to be a function of a lot of things, how things move forward. But currently, the price hikes you've mentioned across categories, are those enough to take care of the spot pricing of input and other materials? Is that what we should assume?

Ravindra Singh Negi:

It is not. And I will be very honest with you, the industry has not been able to do. Industry has taken a very balanced view of saying, don't do anything which impacts the elasticity of demand, because if demand goes down, bringing that up takes a huge amount of effort. So, a huge amount of effort will go towards bringing cost discipline to offset that gap.

And that's what I think over the last -- if you look at our cost structures and cost movement, you will see some bit of cost discipline coming in our numbers. That's what we'll continue to do. But if the commodity continues to do this and we are forced to take a calibrated price increase, we will not shy away from it.

Moderator:

Our next question comes from the line of Love Gupta from Counter Cyclical Investments.

- Love Gupta:** I just wanted to share that we have completed our Hyderabad capex. And do we have any plans for a share buyback or something on those lines, to instill some confidence in the investor community?
- Ravindra Singh Negi:** No. Right now, nothing of that sort. If we have anything, we'll come back and talk about it.
- Moderator:** Thank you. Ladies and gentlemen, we will take that as the last question for today. I would now like to hand the conference over to the management for closing comments.
- Ravindra Singh Negi:** Thank you, everyone. Thank you for taking your time out and joining us and your questions keep us sharp on the toes and also gives us food for thought. So, thank you for this and look forward to meeting some of you in person.
- Moderator:** Thank you. On behalf of Ambit Capital, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.

(This document has been edited for readability purpose)

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