

May 25, 2026

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code: 543482 Scrip ID: EUREKAFORB Ref.: EFL/BSE/2026-27/10	<b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block - G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051  Symbol: EUREKAFORB Ref.: EFL/NSE/2026-27/10
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**Subject : Intimation of Transcript of Earnings Conference Call held on Wednesday,  
May 20, 2026**

Dear Sir/Madam,

Pursuant to Regulation 30(6) read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Earnings Call held with Analysts/Investors on Wednesday, May 20, 2026. The transcript of the aforesaid Earnings Call is also available on the website of the Company at [www.eurekaforbes.com](http://www.eurekaforbes.com).

Request you to kindly take the above information on record.

Thanking you,

**For Eureka Forbes Limited**

**Shilpa Jain**  
**Company Secretary & Compliance Officer**

**Encl: As above**



“Eureka Forbes Limited  
Q4 FY26 Earnings Conference Call”  
May 20, 2026

**MANAGEMENT: MR. PRATIK POTA – MANAGING DIRECTOR AND  
CHIEF EXECUTIVE OFFICER  
MR. GAURAV KHANDELWAL – CHIEF FINANCIAL  
OFFICER**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Eureka Forbes Limited Q4 FY26 Earnings Conference Call. We have Mr. Pratik Pota, Managing Director and CEO; and Mr. Gaurav Khandelwal, CFO, Eureka Forbes, with us. 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 touchtone phone. Please note that this conference is being recorded.

Before I hand it over to Mr. Pratik Pota, please note the disclaimer. Certain statements made by the management in today's call may be forward-looking statements. These forward-looking statements reflect management's best judgment and analysis as of today. The actual results may differ materially from the current expectations based on a number of factors affecting the business.

I now hand the conference over to Mr. Pratik Pota. Thank you, and over to you, sir.

**Pratik Pota:** Good afternoon, and I welcome you all to the Q4 earnings call of Eureka Forbes Limited. In quarter 4, we delivered a strong performance despite a progressively challenging operating environment through the quarter. Revenue for the quarter grew 11.6% year-on-year to INR 684 crores, driven by double-digit growth in our water purifier business and continued strong momentum in our emerging categories.

Our overall product business grew in double digits during the quarter, and the growth was driven on the back of volume growth and improving mix. Growth was also broad-based across channels and geographies.

The e-commerce channel disruption last quarter also normalized towards the end of the quarter and will not be a drag going forward. Very encouragingly, our quality of growth continued to improve. We are seeing a broader growth profile with multiple categories contributing, growing service revenue and improving customer metrics supporting long-term business trends.

Our service business momentum sustained through the quarter, and we took several initiatives to unlock the large filter sales opportunity. During the quarter, we launched major influencer-led marketing campaign that has already generated over 1 billion views.

We also continue to make strong progress on customer experience. Response turnaround times improved significantly, escalations reduced sharply, and we rolled out additional initiatives to further strengthen service quality.

On profitability, while input cost inflation intensified through the quarter, we delivered an adjusted EBITDA margin of 13.2%, our highest ever, which is a strong reflection of the inherent strength of our business model. As you're aware, the West Asia crisis has led to sharp inflationary pressures, coupled with currency depreciation.

In response to rising costs, we implemented a calibrated price increase of 6% to 7% on an average in April, and we will remain agile as the situation evolves. Let me now step back and

reflect on the full year gone by and the progress we've made in our transformation journey. FY26 revenues grew 11.3% to INR 2,710 crores despite a challenging macro backdrop for much of the year. This was our second consecutive year of double-digit growth. Our product business delivered growth in teens for the third year in a row.

While water purifiers saw a temporary moderation after strong growth in FY25, the category has grown at a 3-year CAGR of over 12%, and we remain confident of its growth trajectory stepping up as we go forward. Consumer awareness around the risks of untreated water is rising, and we will continue investing behind category growth by addressing the barriers of awareness, relevance, affordability and availability.

Our emerging categories continue to scale well. Robotics delivered strong growth and expanded its presence in organized retail. Air purifiers grew 2.7x in FY26, albeit on a low base, and we see this as a significant future growth opportunity.

Water softeners also maintained strong double-digit growth, supported by increasing awareness and our own focused investments behind strengthening go-to-market capabilities. Eureka Forbes is now clearly evolving from being a one-category company into a multi-category health and hygiene company, and that strategic shift is increasingly becoming a meaningful source of growth.

It is important to note that we are not just participating in category growth in these categories. In several areas, if not all, we are actively helping shape and expand the category through investment in awareness, consumer insighting, distribution and relevant innovations. In service, FY26 marked a clear turning point in customer experience.

Several service KPIs are now at all-time high levels, and we have materially reduced the extreme outliers. Our ambition now is to move from good to being great and making customer experience a true source of competitive advantage for us. On the service business side, AMC bookings grew in double digits in FY26.

Filters remain an exciting opportunity to tap into. Towards that, as we've spoken about in the past, we launched a new simplified assortment of filters and filter kits, set up a new distribution system and began investing in consumer education.

The early response has been encouraging, but we need to keep in mind that building this business requires changing years, if not decades, of established channel and consumer behavior and hence, sustained investment, focus and some patience will be called for. For the full year, adjusted EBITDA stood at INR 332 crores with margin of 12.2%, up 55 basis points over the previous year.

This marks a third consecutive year of margin expansion from 6.3% in FY23 to 12.2% in FY26. Importantly, we have achieved this even while continuing to step up our growth investments, which increased 13.2% in FY26. Our stance remains absolutely clear. We will continue to invest behind growth and when required, our bias will remain towards higher growth investments.

Our balance sheet also strengthened significantly, and we have moved from a net debt of INR 193 crores in June 2022 to a net cash surplus of INR 443 crores today, giving us strategic

flexibility, including for inorganic growth opportunities as and when they arise. As we look ahead, the environment, as we know, remains uncertain.

The evolving geopolitical situation, input cost increases, currency pressure and the potential impact of inflation on consumer demand all warrant close observation. In this context, we are sharply focused on two clear priorities: number one, stepping up growth through sustained investment and sharper execution; number two, driving efficiency by aggressively reducing wastage and improving productivity.

Overall, I believe that Eureka Forbes has built a very strong foundation, has the right strategy and the right set of plans and has an extremely capable and energized team. That gives us confidence in our ability to continue delivering sustained profitable growth in the periods ahead. With that, let me now hand you over to Gaurav for more details on our financial performance.

**Gaurav Khandelwal:**

Thank you, Pratik, and good afternoon, everyone. I will first start off with the FY26 full year performance. Revenue grew 11.3% year-on-year to INR 2,710 crores. This was the second successive year of double-digit growth and was underpinned by double-digit growth in 6 out of 8 quarters for our continuing businesses. This growth was broad-based, and there were two key aspects to this year's top line performance.

First is our shift from being dependent on a single category to having multiple growth drivers. This was instrumental in ensuring strong overall product growth in teens for the third consecutive year now. Secondly, our service revenue growth improved versus the previous years. Moving on to gross margins: Gross margins for the year expanded by 46 basis points to 58.8%.

I want to highlight two aspects here. First, our gross margins have remained range bound at 58% to around 60% over the last 3 years now. This is a reflection of our balanced portfolio, mix management and the well-institutionalized COGS program.

Second, looking ahead, we are beginning to see some input cost pressures starting from Q1 FY27. This triggered us to press the button on price increase of an average of 6-7% across categories and price points. While this did not impact FY26 gross margins materially, it is something we are monitoring very closely. If input cost inflation sustains at current levels, there will be some gross margin headwinds in FY27 that we aim to mitigate through a series of actions across pricing, mix management and COGS initiatives. Let me now walk you through the details of operating expenses.

Employee cost for FY26 grew by 7% to INR 328 crores and came in at 12.1% of revenue versus 12.6% of revenue last year. The increase reflects the normal salary increments and measure headcount additions aligned to growth. However, the drop in people cost as a percentage to revenue is a clear source of operating leverage for us.

A&SP spends for FY26 grew by 13.2% as we believe our growth investments are enabling growth. This is a deliberate strategic choice, and we will remain focused on investing for growth.

Service charges for the year grew by 11.2%, largely driven by increase in our AMC bookings, while other expenses, excluding A&SP spends, grew by 13.4%. Putting it all together, our total

operating expenses, excluding the A&SP spends as a percentage of revenue declined by 27 basis points to 35.7%, giving us the benefit of operating leverage.

Adjusted EBITDA grew by 16.4% for the year to INR 332 crores, translating into a 12.2% margin, up 55 basis points over FY25. Adjusted PBT pre-exceptional grew by 18% to INR 278 crores, while pre-exceptional PAT grew by 19% to INR 190 crores. Reported PAT for the year came in at INR 160 crores.

This year's PAT included the impact of the new Wage Code, which was taken in Q3 FY26. In FY26, we further strengthened our balance sheet, ending the year with a net cash surplus of INR 443 crores, and we generated a free cash flow of INR 237 crores, representing 148% of reported PAT.

This is despite a step-up in capex from INR 55 crores in FY25 to INR 84 crores in FY26. We have consistently targeted an FCF to PAT conversion above 100%, and this trend has continued in FY26.

Coming to Q4 FY26 performance: Revenue for the quarter grew by 11.6% year-on-year to INR 684 crores, led by strong growth from emerging categories and a double-digit growth in the water purifier category. Employee expenses grew by 11.3% year-on-year to INR 88 crores, largely driven by higher incentive payouts.

Service charges grew by 2.7% year-on-year to INR 85 crores. This was a combination of increase in spend due to increase in AMC bookings, but with an offset caused by efficiency programs focused on addressing leakages. Adjusted EBITDA for the quarter grew by 13.1% to INR 90 crores with an underlying adjusted EBITDA margin of 13.2%. I'm happy to share that we have delivered 13% plus margin in 2 out of 4 quarters in FY26. Adjusted PBT grew by 8.1% year-on-year to INR 73 crores, and PAT came in at INR 51 crores.

After a Q3 FY26 that was impacted by transient channel inventory issues, Q4 clearly demonstrated the resilience of this business. To summarize, we believe that the business today is on a strong footing. It has been 2 years of double-digit growth for the business and sustained margin expansion. The fundamentals remain intact with the categories becoming even more relevant, though consumer sentiment remains mixed. Looking ahead into FY27, the key variable is the uncertain macro environment.

Input cost pressures are real with no end in sight yet. We have a number of initiatives in progress aimed at mitigating its impact. Our key focus in FY27 is on stepping up revenue growth while at least holding margins. We will continue to stay disciplined on cost, route out inefficiencies and execute against our priorities with consistency. I will now hand it back to the moderator for the Q&A.

**Moderator:**

Our first question comes from the line of Keshav Lahoti from HDFC Securities.

- Keshav Lahoti:** You have taken the price increase from April onwards. So, was there a channel stocking towards March end? So possibly that lead to slightly muted growth in April? And how things have been so far in April and May?
- Pratik Pota:** Keshav, thank you for the question. We had announced our price increase well towards the end of last quarter in the last 2-3 days of March. So, while there was some stocking in a few pockets, there was no material channel loading which happened because of the price increase. And therefore, we expect no impact of that in our Q1 FY27 performance.
- Keshav Lahoti:** Understood. Now we have been seeing double-digit growth in service bookings from last 1 year. So, is it fair to assume from Q1 FY27 onwards, at least service revenue will also take a double-digit trajectory? And how are the things happening on number of service initiatives which you have taken and you have announced on Investor Day? What is the progress on the same?
- Pratik Pota:** Yes, Keshav, so I'll begin with your first part of the question and then request GK to also come in and add. So we are pleased with the progress that we have been making in our service business. We've had the fourth consecutive quarter of double-digit growth in bookings, in AMC bookings. And therefore, that momentum has sustained.
- We also have, as we shared in Investor Day, kicked off a new growth vector, which is working on unlocking the filters opportunity. And that work stream is in market right now. We've launched a new assortment. We've got a new distribution system in place. The focus has now moved to generating consumer awareness and creating a greater pull for Genuine AquaGuard filters through the parallel service network.
- And that work is on, as I mentioned in my opening remarks. The influencer campaign went live about a couple of months ago. And we were very, very encouraged to see the strong response we've got to that. So, all those work streams are in motion. But like I said, we recognize that this involves changing many, many years of established channel and consumer behavior.
- And for this behavior, this is a category which gets purchased infrequently. So this behavior change will take time, but what we are seeing as early evidence is encouraging. The other initiatives that we spoke about in the Investor Day aimed at digitalizing the entire service network, aimed at improving customer experience, aimed at giving much greater visibility to our service network and to our customers.
- I think all of those initiatives are, in fact, going exactly as per plan. And I think that's one reason why our customer service KPIs have improved so significantly. So yes, I think in terms of all the interventions, we are pleased with the progress we are making. And on the revenue recognition, Gaurav, over to you.
- Gaurav Khandelwal:** Keshav, so you're absolutely right. We've had during the course of the year, bookings growth on a sustained double-digit basis. I think the important part is that it started from the early part of the year. And hence, we've been able to get a part of that impact within the year itself. So, we've seen the impact of that play out in Q3. We see that impact playing out in Q4 as well when we look at our service revenue growth year-on-year.

Going ahead, we do expect that impact to continue in the coming quarters as well. I think one important call out that I would have is that you will see this impact very, very clearly when we release our annual report when you see the service growth between FY25 and what you see in FY26.

I think going ahead, one dimension to call out is that while we've had sustained growth in our bookings, a very conscious choice that we had made was also to drive the multi-year mix because we wanted to lock in customers for a longer period of time because the more multi-year mix that you do, the more is your chance to kind of elbow out the gray market operators.

So hence, the impact of that would come of our FY26 bookings growth would come in FY27. But you may not see the full impact yet because some of that revenue may come in FY28 because the share of our multiyear mix in our AMC bookings has gone up quite significantly. But very clearly, to summarize, when we report our full year numbers, you will see a step-up in our service revenue growth.

**Keshav Lahoti:** Got it. Quite clear. Just a follow-up on this. How far are we to your double-digit service revenue growth?

**Gaurav Khandelwal:** I think, Keshav, from our perspective, I think all the interventions are in place. I think the bit on filter is an important pivot that we did during the course of this year, and that provides an additional opportunity to generate revenue. I think the key dimension that I would like to just reiterate is that there is a very entrenched consumer behavior.

There is a very entrenched channel behavior, the way we operate. And I think from our perspective, it is about just making sure that we keep all these considerations in mind and back it up with the right product, the right portfolio and how do we keep creating that pull. And a part of that was launching the films of videos in this particular quarter. But this is going to be a journey.

**Pratik Pota:** If I just add to that, Keshav, I think like Gaurav said, all the input enablers have been deployed or are being deployed as we speak. The step-up to a double-digit growth in service lies in unlocking this filter opportunity. And therefore, towards that, we've rolled out all the possible interventions, including the right products, building the right distribution and now increasingly investing in consumer awareness and consumer education.

You will see that play out and step up in the near future as well. And we remain confident that as all these interventions play out, we will see a step-up in filters growth and thereafter and therefore, in service revenue as well.

**Moderator:** Thank you. Our next question is from the line of Chanchal Kumar Khandelwal with Birla Mutual Fund. Please go ahead.

**Chanchal K. Khandelwal:** Just on the service revenue, we have seen your projection, you're talking about by FY30, almost doubling your revenue and your operating profit growth even higher, which implies more than 20% CAGR. Now first question is on the service revenue. I mean, we are seeing disruption happening at various places. I mean, if I were to say right from quick commerce to Urban Clap to various people who have been able to reach to the urban consumer.

Now do we have to do some intervention that the service revenue apart from the filter which you have spoken about, are we thinking differently that the service revenue, which is a core of us be sticky and we tie with someone or do something which makes it sticky so that we win for longer term because the disruption by various other platforms is happening as we speak. Any thoughts there?

**Pratik Pota:**

Chanchal, that's an interesting question. Let me respond to that in 2 parts. I think the broader point you're making is absolutely valid, which is that today's urban consumer is getting increasingly accustomed to faster and more agile ways of servicing her, quick commerce being a great case in point.

And therefore, our service delivery has to measure up to that enhanced expectation. So what we've done very consciously this year or rather last year is to make a very specific promise to customers of service within a particular slot.

Earlier, our delivery promise was a 24-hour TAT. In other words, delivering a service to a complaint in 24 hours of booking. We've now moved that to a specific 2-hour slot promise, and we are doing very well against that promise. So that's the first step.

The second step we are working on analogous to what e-commerce is doing is working on a similar 4-hour service promise that from the point when a customer is either buying a new product or placing a service request, can we turn around that complaint in 4 hours.

And there are very interesting new models we are exploring towards that. And these are not models that we've explored in the past. We haven't talked about them publicly, but these are very, very specific initiatives that we've put in place.

And right now, they're in pilot mode, as you can imagine, before we scale them up. In our categories, as you're aware, there is a water category, which requires an installation, but there are other categories which don't require so. And therefore, a quick turnaround or quick delivery, quick promise actually is very amenable in these categories.

And I think we spoke about in the last earnings call that in quarter 3, a big source of work for air purifiers for us was using the quick commerce platform. Coming back to your question, from a quick service point of view, we are indeed exploring various different avenues and many pilots are in play to enhance the speed of service and it therefore improves the delivery that we promise that we make to our customers, similar to what you see in quick commerce, etc.

Now your question was also about revenue. Are we looking at different ways of enhancing our revenue flow through? We have several initiatives in flight. The one thing I'm going to speak about, the others, I'd rather not speak about right now. But the one thing I do want to talk about is extended warranty and service bundling.

And some of those initiatives are in place. Like I said, we are in still pilot mode. And the moment we have some results to share, we circle back with you and with the largest group of investors and talk about that. But yes, I mean, you can be sure that the changing world around us of quick commerce, of technology-led service disruptions and service promise enhancements are giving

us thought on and giving us lots of stabilize on how we can evolve our own service offerings. And you'll see some of this play out in the near future.

**Chanchal K. Khandelwal:** Sure, sure. That's useful. The only point, again, to deliver on this is that our brands are much stronger than what our sales is, and we have a right to make our brand much, much stronger and build the customer pool by itself. But our customer C is looking at service as a platform where all these services are available, and that's the reason that pivot to Urban Clap or various other platforms.

So we'll have to do something in other platform for our service revenue to be consistently growing with us. Otherwise, someone else will disrupt and we've been focusing on this core service of fiber service. So there is disruption happening at some other places, which may affect your core and the core is what your brand stands for. So that's what I just wanted to dwell on.

**Pratik Pota:** That's fair, Chanchal, and you're right. And we are absolutely watching this very closely to ensure that we are not blindsided and that we look for and spot for disruptions, if any. But equally, if I flip it over, and we alluded to this briefly in the Investor Day as well, the fact that there is a service platformization not only is a potential source of risk, but it is a very exciting source of opportunity for us as well.

The reality is that today, we service multiple categories. Water is the most widely known, but we service today robotics, softeners, air purifiers, conventional vacuum cleaners, commercial devices, which are deployed in the market. So, we already have a number of categories -- for whom we provide service.

We are building a technology platform, as we spoke about in the Investor Day, which allows us to be multi-tenant, multi-category and fairly flexible in how we are able to onboard market technicians and provide customers these different service offerings. Having traveled this journey and a lot of that will be completed in this financial year, it will allow us to think of possibilities which are beyond our current categories, but that is for the future.

I don't want to get ahead of ourselves, but that is something clearly that we are keeping on a peripheral vision. The fact that service and service platformization can be a source of meaningful opportunity and in the longer run, meaningful value creation. That is absolutely something that we are thinking of.

**Moderator:** Thank you. Our next question comes from the line of Renu Pugalia with IIFL Securities. Please go ahead.

**Renu Pugalia:** So my first question is, from a near-term perspective, given the steep inflationary impact across product categories on the consumption bucket, do you see risk of demand getting impacted ahead of monsoon season? And any allied risk of down trading within the customer segment? Also, with this year expected to be a drought-like situation from a seasonal perspective, do you see the sales of water purifiers getting impacted in years of weak monsoon? That's the first question.

**Pratik Pota:** Yes. No, thank you. Thanks for the question, Renu. Let me start with the first one, which is do we expect any disruption on account of the inflationary environment? I think, as I mentioned earlier in my opening remarks, that given the cost pressures and given the currency pressure, we

took a calibrated price increase of between 6-7% early in April, and that got rolled out. It took some time for the price increase to play out in the market and because of the trade inventory, etc

That said, the price increase is indeed in the market now. And the early indicators that we have seen is that the price increase has landed well, and we do not see any impact as of now on sellouts or on tertiary sales, number one. Number two, as you're aware, we have a wide portfolio, which travels multiple price points, and therefore, we are able to offer consumers meaningful solutions at these different price points.

As of now, we are seeing, like I said, neither a meaningful impact on sales nor any indication of consumers down trading. But like you said, that's the risk that we are conscious of, and we'll navigate carefully as we go along.

On your second question of the likely risk to the business of a drought situation. We have looked at the data. We do not expect this to have a material impact on our water purifier business going forward. Keep in mind, Renu that and as you are well aware, our penetration of the category is very, very low, number one. Number two, in the recent past, there have been growing news of the risks and the dangers of drinking untreated impure water.

There have been unfortunately too many health incidents in the recent past and they occupied newspaper headlines. And we are seeing as a consequence consumer awareness clearly grow. And we are seeing consumers and families prioritize water purifiers and in more generally health over other durables.

So we do not expect the drought, if it materializes, to have any impact on our business. I think - and just to sort of pull back and summarize both your questions, the fact is that the inflation and the cost pressures notwithstanding. We have seen a sequential pickup in the momentum of water purifiers and the growth has indeed increased.

Now I know that there is still a lot of uncertainty ahead of us. We don't know what's going to unfold. So I don't want to say we are out of the woods yet. But clearly, as the quarter is progressing, because of the rising consumer awareness, we are seeing greater traction for the water purifier category.

**Renu Pugalia:**

Got it. And sir, the second leg of the question, since Robo as a product category is largely import dependent so far, the JV that we have or the exclusive arrangement that we have with Dixon, by when do we expect to fully localize the manufacturing of Robos in India? And if you can also help us update a small bookkeeping question for Gaurav, is the revenue mix between products and services for FY26?

**Pratik Pota:**

So Renu, on the first part of your question, like you rightly mentioned, our robotics portfolio is imported. Given the pressure -- both the commodity cost pressure, the input cost pressures there, plus the currency impact, we have taken a small price increase in the portfolio, and that has landed, like I said, reasonably well. That's in the market now.

We do not see yet any impact on growth, but we are watching this very, very closely. The Dixon arrangement is about manufacturing SKDs. And as you're aware, the quality control order, the

QCO of BIS has got pushed out to September of this year. And as we come closer to September, you will start seeing the manufacturing and assembly migrate to Dixon over the next 3-4 months.

On localization, that will be a progressive journey starting in the next couple of quarters, but it will take some time to completely play out. For the moment, however, we are moving from importing FG to assembling from SKDs using our Dixon partnership.

**Gaurav Khandelwal:** Yes. Renu, on the second part of your question, we'll be giving out the specific numbers as part of the annual report, but I can certainly throw some color on it. On our product business, we've got multiple growth drivers in place.

And one should expect the product growth to be reported in teens when you see the annual report. Equally, you will also see a step-up happen in our service revenue as well. So you will see a step-up in growth in that as well. But the specific numbers are something that we will be sharing as part of our annual report.

**Moderator:** Thank you. Our next question is from the line of Achal Lohade with Nuvama. Please go ahead.

**Achal Lohade:** Sir, just a clarification. Did I hear you right when you said you would like to hold on to the margins for FY27? Have I heard it right, sir? So that means stable margins for FY27?

**Gaurav Khandelwal:** Yes, Achal. And let me kind of throw some color on it because given the situation, I think there are multiple moving parts here. But let me just step back a bit first. I think we've had a business for 3 years in a row, we've had a margin expansion play out. Importantly, within that, we've seen multiple sources of margin improvement.

So in year 1, it was driven by cost. You've seen margin improvement happen through operating leverage. And more recently, in this year, you've seen it improve by gross margins, which means that as a business, we've got multiple levers in place. So that's one dimension and reality that we are keeping in mind. Going ahead, how we think about the business and coming specifically to your question on margin, I think there are 2 key priorities that we kind of set out for ourselves.

One is stepping up growth. That is where a lot of energy would be going. And second is scaling up our efficiency projects. So we already have and you've heard us speak about it in the past as well about our COGS program. Given the inflationary environment, we are stepping and scaling it up even further.

And these are the 2 main priorities that we are working on. All this in our mind, we believe takes us to a place where with the portfolio that we have, there's a service product business, there is a price lag that we have in the portfolio and with the efficiency interventions, etc., we believe that we should be aiming for at least a margin hold.

But yes, I think we'll see the situation as it evolves, but this is certainly the aim that we are taking for this year. I'll also just clarify, and that's been our position all through. We look at margins on a full year basis and not necessarily get constrained by a quarter. There may be a quarter noise here and there. But I think on a full year basis, our aim would be to be holding margins at least.

**Achal Lohade:** Thank you for the clarification. Just a follow-up on that, sir. A, we would look at double-digit growth even in the current year. B, we also had the service, the cost against the service bookings actually or AMCs getting actually recognized upfront in FY26.

I'm just curious to understand, given there would be a benefit of operating leverage and also secondly, the normalization of the service margins or expansion in service margin, like are we too worried about the cost inflation and that is why we are kind of indicating a stable margins Y-o-Y for the full year as a whole?

**Gaurav Khandelwal:** Yes. Achal, you're right in pointing out that some of the things that you mentioned do give us a benefit in the year ahead. I think I'm just being mindful of the fact that the cost situation is something which is really fairly volatile. So that's the only bit that one is very, very mindful of, but as I mentioned and I'm reiterating, we are looking at, at least holding the margin. That is what we are aiming for.

Equally, we also want to be very sure that we don't let a transitional event impact our long-term view of the business. And hence, we will also remain focused on growth investments. So it's a combination of things that we are looking at. There will be certain benefits that come, some of it you pointed out. But equally, there are certain challenges to navigate, but this is what we are aiming at this point in time.

**Achal Lohade:** Fair point. Sorry, just a question on the cost inflation. Is it possible to quantify at this current juncture, given the currency or the commodity prices, etc. What is the overall cost impact on our COGS?

And of that 6-7% you have taken, how much more is needed without assuming any further cost savings initiative, I'm just trying to figure out the cost inflation, the quantum and how much price hike is already taken and how much is required without assuming any cost initiatives, that I will keep it separately. If you could clarify on that, sir?

**Gaurav Khandelwal:** Sure, Achal. I think, see, it's difficult to put a specific number at an overall level because there are multiple areas where costs are moving. So there is a polymer impact, there is an impact on metals. There is a foreign currency angle to it. So it is a bunch of things which are there. And they have individually different impact on different parts of the business.

Having said that, the pricing increase that we had taken in April, which was roughly in the range of 6-7% on an aggregate basis, That, in our view, was addressing to a very large extent the overall impact that we were seeing on the business. It wasn't mitigating it in full. But outside of pricing, we've also lined up a bunch of interventions, more specifically about extracting efficiencies and removing leakages. So that is where we are focusing on.

Equally, and I'm re-iterating, we have the benefit of a portfolio which has got a service product mix. We have the benefit of having products at every single price point. So those are the inherent advantages. I think our approach as far as future pricing is concerned is going to be driven by the fact that, first, we stretch ourselves on how much efficiencies we can extract. That is what our key focus will be.

But we'll see how this plays along. I'll just remind ourselves that this is the first time in nearly 4 years that we've taken up pricing and our focus has been on reducing entry barriers in the category. So we're also very mindful that we don't want to be in a situation where we make the category unattractive for a consumer.

And hence, that will be the other consideration. But we believe that the interventions and the mitigating actions that are there, I think right now keeps us at a place where we should be able to manage it. But we'll keep as it's an evolving situation, and we'll keep a very, very close eye.

**Moderator:** Thank you. Our next question comes from the line of Umang Mehta with Kotak Securities. Please go ahead.

**Umang Mehta:** My first question was on your AMC business. So I just wanted to check in terms of active AMCs as of year-end, would that number have grown versus last year? The reason I'm asking is, if I look at your other current liabilities, at least that number seems to be down. So I understand that multiyear mix has gone up and that's why the noncurrent portion has grown well. But just this other current seems to be a bit of an issue. So if you can just explain that would be helpful.

**Gaurav Khandelwal:** Yes. Thanks, Umang, for your question. So while we don't report the AMC base number for competitive reasons, I think you've already picked up, Umang, the numbers from the balance sheet. So I'll draw your attention to the liability balance that stands in aggregate in the balance sheet, and that's a very healthy 9% number that you would have noticed.

I think the current and non-current is a mix of the multi-year mix that has played out. And that has been a very, very conscious choice to kind of lock in customers for a longer duration and also to elbow out the gray market operators. But in aggregate, we see our deferred income liability to have gone up quite a bit.

**Umang Mehta:** Okay. So, correct me if I'm wrong, but unless you've taken an ASP cut, I mean, if the volumes have increased, even the other current liability would increase, right? So either there has to be an ASP cut or volumes could have been flattish. Is that understanding wrong?

**Gaurav Khandelwal:** Just a slight modification needed there, Umang. So current, non-current is not a function of volume. Volume is just about how many AMCs you're selling. Current and non-current is more a function of the duration of your AMC. So, the more you sell longer-term AMCs, which we call as the multi-year AMCs, then it means that the proportion of non-current will be higher.

Now that could come from volume or that could come from ASP or mix, that's a separate thing, but there are 2 separate things. The big picture is that the proportion of our longer duration AMCs in our business have gone up. And hence, you see our non-current liabilities to have gone up quite a bit.

**Umang Mehta:** Sure. I'll take it offline. And the second question was on service charges. So you did mention about the reason for low-single-digit growth this quarter. If you can help share how sustainable are these gains? How do you look at service charges over the coming year? That would be helpful.

**Gaurav Khandelwal:** Umang, so from a service perspective, as we mentioned in the past, there are 2 dimensions to it. One part of it is the charge which comes because of bookings and the other is what we pay out for call charges. It could be complaint, it could be installation, it could be visitations, etc. So obviously, from a going ahead view, what one should look at is that there will be an element which goes up in line with what is happening on the AMC booking side.

Equally, there are countervailing items at play, which is about continuously removing leakages in the system. So as you can imagine, there are ways and means in which people hack it. We've made a lot of progress in putting in digital controls and capabilities. So that is something that we hope will help us in enduring some of those benefits. Some of that we've seen in Q4 already. And those benefits we expect to continue going ahead as well.

**Moderator:** Thank you. Our next question is from the line of Siddhartha Bera with Nomura. Please go ahead.

**Siddhartha Bera:** Sir, first question is on the growth outlook. You mentioned initiatives to step up growth. We did see a lot of new launches happening last year. So some color, I mean, how much are some of these categories like filters, softeners and other emerging categories contributing to this year's revenue?

And how much should we expect acceleration from many of these categories in the next few years? Just to understand, is it more near-term or it may take a few years to play out like you mentioned in the early part of the remark?

**Pratik Pota:** Sorry, that was a good question. So let me just talk about the first part of your question. I think as part of our strategy of growing from being a one category-led company to being a multi-category health and hygiene business with several growth vectors, we have invested behind creating many new businesses.

I'm happy to report and share that all of these categories have acquired, I think, very strong momentum and meaningful scale as well. Let me start by talking about robotics, which is the largest of them all right now. Robotics addresses a very specific problem statement in urban India of keeping the home clean in an environment where domestic health is not always assured.

Robotics portfolio has been growing strongly and consistently for the last 3 years, and indeed, it did so last quarter as well. Robotics now contributes to more than 65-66% of the overall vacuum cleaner category. And you'll recall that the vacuum cleaner category wasn't growing earlier, and robotics has infused a new lease of life into this category.

There are key vectors driving growth for robotics, products and innovation, distribution expansion and just growing consumer awareness. And our strategy has been to double down on each one of them. We have built out a complete portfolio of products ranging from economy to super premium. We have increased distribution. We have now gone into retail as well, both organized trade and independent general trade.

And we've invested, as you know, in consumer awareness, including Shradha Kapoor campaign of last year. This category is in, like I said, in strong momentum. And as we mentioned in the Investor Day, we expect it to reach more than INR1,000 crores for us by FY30. So that is not just a longer term. It is here and now, and it is one of the biggest engines of growth for us.

Similarly, air purifiers, where we began investing in the category meaningfully only this year, we have seen strong momentum build up. As you can imagine, quarter 4 was a lower revenue category for air compared to quarter 3, given the seasonality of the category, but we had a very strong growth nevertheless.

And going forward, we believe that given just the quality of air across urban India, this category will grow. It will expand beyond North India, and it will expand and it will be used not just in winter, but through the year. So we have very strong plans of this category.

Softeners again, a very large market but highly fragmented. 90% of India has a hard water problem, and we are investing in growing this category. We've had strong growth for the last 3 years. We built out a complete portfolio, including products which have IoT, and you will see this being a big engine of growth for us as well.

Filters that you talked about is, as I mentioned earlier on the call, it's a new vector of growth for us. And we began investing in it meaningfully only towards the end of last year towards quarter 3 and then quarter 4. And just given the very large installed base of AquaGuard users who are not in our AMC offer, and who actually replace filters and go to the open market to replace filters.

Addressing that TAM is going to be a big source of growth for us. And again, like I said earlier, this requires changing years, years and lots of embedded and entrenched behavior. It will require us to be patient, but we are investing in driving consumer awareness in unlocking all the barriers to this category to grow.

So, all of these vectors, all of these initiatives are making a difference here and now, and they are contributing to growth meaningfully even today as it did last quarter. And all of them have very low penetration. So, we see them all having a very long runway to grow over the next 3 to 5 years.

**Siddhartha Bera:**

Understood. Sir, second question is on the price hike. I mean, you talked about 6-7%. So does that factor in the most of the cost pressure you have seen? Or do you need more? And is competition also taking similar price hike? Or are we taking the lead here in taking these hikes?

**Gaurav Khandelwal:**

Yes, Siddhartha, as I mentioned, our pricing actions, along with our interventions on our efficiency programs, etc., that in our view, kind of addresses to a very large extent, the cost inflation that is there. Having said that, this is an evolving situation, and we are constantly keeping a very, very close eye on it and would intervene wherever required. So that's as far as pricing is concerned.

On the second part, yes, competition has also responded, and we've seen price hikes being done by every player. The reality as it stands for everyone is that the inflationary environment is indeed quite strong. And hence, not taking a price increase for anyone would not be viable, but we've seen others take up prices as well.

**Moderator:**

Thank you. Our next question is from the line of Mehul Desai with JM Financial. Please go ahead.

**Mehul Desai:** My first question was on the water purifier segment. When you say this FY26, there was a low double-digit or teens growth. How is split between volume and price mix in FY26 for water purifier segment?

**Pratik Pota:** Mehul, thank you for the question. As I mentioned earlier on the call, water purifiers as a segment with its low penetration has over the last 3 years, had a CAGR of over 12%. Given the growing category awareness and like I said, the low penetration, we expect this category growth to indeed accelerate going forward.

The growth that has come in the last 3 years, including last year, came on the back of both volume growth and also a mix leading to ASP increase. And going forward, again, given the fact that the category has such low penetration, we expect volume growth to be also a meaningful driver of water purifier growth in the future.

**Mehul Desai:** Got it. And given that you've taken a 6-7% price hike and at least your commentary suggests that volume growth have not seen any material impact so far. Is this incremental price hike is what is giving you confidence that there could be a step-up in revenue growth in FY27?

**Pratik Pota:** Mehul, let me clarify on 2 things. First one is that, as I said, our price increase has gone in relatively more recently into the market. And the early indicators are that it's landed well. I think like I said, we are watching it very, very carefully. And we're hoping that there is no material impact of the pricing on volumes, especially given the fact that the entire category, all competitors have raised prices. So that's number one.

Number two, to clarify again, our growth aspiration for FY27 will be not be on the back of pricing, but it will be on the back of driving volume growth. It will be, as you're aware that we are a multi-category business, increasingly so. And within each of these categories, we have an assortment that spans economy to premium.

Therefore, we have multiple levers to drive growth, drive volume growth, drive ASP increase. And therefore, all of these will be brought to bear to drive growth in FY27. The growth that you see in FY27 will not be merely pricing led, just to be clear.

**Moderator:** Thank you. Our next question is from the line of Aastha Jain with Pkeday Advisors. Please go ahead.

**Aastha Jain:** I wanted to ask you that Urban Company has shown a very high growth nearly of 100% in their native business. So is there a possibility that we are losing market share? Or is it like informal to formal shift is being appropriated by Urban Company?

**Pratik Pota:** Aastha, thank you for that question. I think, given the low levels of penetration of this category, entry of new players, increasing innovation is good for the category. It stokes innovation, it stokes consumer interest, it helps the category grow. The launch of new entrants, including the one that you spoke about, has been good for the category. It has helped the category pick up and grow, like I said, in a CAGR of more than 12% over the last 3 years.

That wasn't the case in the period preceding that. I'm happy to share with you also that given the sheer strength of our brands, the innovation that we've rolled out and the aggression we brought

to bear in the market, all driven by our very capable teams, we have not lost market share. If anything, as we exited the year, we had market share tailwinds behind us. So, we have not lost market share. I think all of this has helped the category grow.

**Aastha Jain:** Got it. Got it, sir. Sir, my question is that the sales growth this year is very much lower than the long-term guidance that we have given. Will there be acceleration this year to meet the long-term guidance? And even same applies for EBITDA growth as well?

**Pratik Pota:** So, Aastha, our long-term guidance that we gave for FY30, we absolutely stand by that. The goals both on top line and on EBITDA and profitability are the goals that we are very much going after. FY27, as we see today, short of any black swan events coming our way, we do see an acceleration and a step-up in growth of what we delivered in FY26. And we will work towards meeting our long-term objectives, clearly outlined in the Investor Day for FY30.

**Aastha Jain:** Sir, my last question would be, is it possible to disclose what has been growth in the service revenue as opposed to the service bookings? Are the 2 converting now?

**Pratik Pota:** No, we don't declare that.

**Gaurav Khandelwal:** Aastha, as I mentioned earlier, we will be disclosing the numbers in our annual report. I think, again, as a heads up, what you should expect is for our product business to continue its growth profile in teens, and you will see a step-up in our service revenue growth versus FY25. We'll share the specific numbers as part of the annual report.

**Moderator:** Ladies and gentlemen, we will now take our last question, which will be from the line of Trusha from Boring Asset Management Company. Please go ahead.

**Trusha:** Actually, I just want to understand going forward, what will be our strongest growth driver, like which category or like how are we looking at water purifiers remain the major category or how do we see this going forward?

**Pratik Pota:** Trusha, that's such an interesting question. Thank you for that. I think we are fortunate to have a portfolio that provides us a profusion of growth opportunities. Water purifiers, it's a category which has, like I said and like we all know, very low penetration, but it is a category equally of universal relevance and need. We are seeing this category grow, and we are seeing this category accelerate in the future.

So that will obviously be -- it is an anchor category. It will remain a big engine of growth for us. Additionally, in the last 2-3 years, we've incubated and built several new growth engines. I spoke about them just a little while back, engines like robotics, a very small in fact, a nonexistent business 3 years back. It is going to be INR 1,000 crores portfolio for us in the next 3 to 4 years, and we are well on track for that.

Air purifiers, we live and breathe the problem every day and not just in Delhi, across large parts of urban India. That's the portfolio that we intend to build. And FY26 was a proof of concept, if you will, where we multiplied the revenue almost 3x. Yes, of a small base, but we have the conviction that this can be a very large and meaningful source of business and growth for us.

Softeners, I've spoken about, again, hard water problem is ubiquitous in India, and we intend to incubate and grow the softeners portfolio. The aftermarket business of filters, again, provides us an exciting growth and a profitable growth option. And therefore, all put together, in response to your question, may I say that in some ways, in some good ways, we're almost poised for choice.

**Moderator:** Thank you. I would now like to hand the conference over to the management for closing remarks. Over to you sir.

**Pratik Pota:** Thank you, everyone, for your time and for your questions on the call today. I hope we were able to answer them to your satisfaction. And if you have any follow-up questions or you need any clarifications, please do reach out to us and to the Investor Relations team, and we'll be happy to circle back and clarify. Thank you so much, and have a good day.

**Moderator:** Thank you. On behalf of Eureka Forbes, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.

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*Note: This document has been edited to improve readability*

**Contact Information:**

Ms. Nupur Agarwal – Head – Investor Relations  
Investor e-mail id: [investor.relations@eurekaforbes.com](mailto:investor.relations@eurekaforbes.com)

**Regd. & Corporate Office:**

B1/B2, 7th Floor, 701, Marathon Innova,  
Ganpatrao Kadam Marg,  
Lower Parel, Mumbai - 400013  
Corporate Identification No: L27310MH2008PLC188478