

20<sup>th</sup> November, 2025

BSE Limited  
Department of Corporate Services  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001  
Scrip Code: 500575

National Stock Exchange of India Limited  
Listing Department  
Exchange Plaza  
Bandra-Kurla Complex  
Bandra (East), Mumbai 400 051  
NSE Symbol: VOLTAS

**Sub: Transcript of the Q2 FY26 Earnings Conference Call**

Dear Sirs,

Further to our letters dated 11<sup>th</sup> November, 2025 and 14<sup>th</sup> November, 2025, we enclose herewith a copy of the transcript of the Q2FY26 Earnings Conference call held on 14<sup>th</sup> November, 2025.

The same is also being made available on the Company's website at:

<https://www.voltas.in/storage/schedule-of-analysts-iim/Transcript-Q2-Earnings-Call-14112025.pdf>

Thanking You,

Yours faithfully,

For **VOLTAS LIMITED**

**Ratnesh Rukhariyar**

**Company Secretary & Compliance Officer**

Encl: as above

**VOLTAS LIMITED**

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Corporate Identity Number L29308MH1954PLC009371

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## “Voltas Limited Q2 FY '26 Earnings Conference Call”

**November 14, 2025**



**MANAGEMENT:** **MR. MUKUNDAN MENON – MANAGING DIRECTOR,  
VOLTAS LIMITED  
MR. K.V. SRIDHAR – CHIEF FINANCIAL OFFICER,  
VOLTAS LIMITED  
MR. NIKHIL R. CHANDARANA – HEAD (CORPORATE  
FINANCE), VOLTAS LIMITED  
MR. VAIBHV VORA – HEAD (TREASURY), VOLTAS  
LIMITED**

**MODERATOR:** **MS. NATASHA JAIN – PHILLIPCAPITAL (INDIA)  
PRIVATE LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to Voltas Limited Q2 FY '26 Earning 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 after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing "\*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Natasha. Thank you, and over to you.

**Natasha Jain:** Thank you. I, Natasha Jain, on behalf of PhillipCapital, welcome all of you to the Second Quarter FY '26 Earnings Conference Call of Voltas India Limited.

From the Management today, we have Mr. Mukundan Menon – Managing Director, Mr. K.V. Sridhar – Chief Financial Officer, Mr. Nikhil R. Chandarana – Head (Corporate Finance), and Mr. Vaibhav Vora – Head (Treasury).

I request the management to give their opening commentary, post which we shall open the floor for Q&A. Thank you, and over to you, sir.

**K.V. Sridhar:** This is Sridhar here, CFO of Voltas Group.

To start off, I think Voltas is positioned for future growth with strong fundamentals and strategic clarity.

**Just to give a view on the overall global outlook:**

Global economic growth has remained steady though uneven across regions, with many advanced economies still facing inflationary pressures. India continues to stand out as one of the fastest growing major economies, supported by public investment, strong domestic demand, and a resilient services sector. While global trade remains affected by geopolitical tensions, India's consumer and infrastructure momentum continues to create opportunities across industries. For the cooling and appliances sector, stable energy costs and improved consumer sentiment are expected to drive demand recovery in the coming quarters.

The IMF has maintained its global growth outlook at around 3 percent for 2025, citing gradual stabilization in key economies. Emerging markets continue to anchor this growth, led by India and Southeast Asia. In contrast, developed markets are adjusting to slower consumption and policy tightening. Voltas, through its diversified business presence, continues to manage these dynamics prudently, balancing exposure across markets and maintaining financial discipline.

Voltas Limited, a Tata enterprise and India's leading air conditioning and engineering services company, announced its financial results for the quarter and six months ended 30 September 2025. The quarter reflected a period of transition marked by external challenges such as the

extended monsoon and GST related demand deferment. However, amidst these short-term headwinds, Voltas continues to demonstrate strategic focus and operational discipline. The Company remains firmly anchored to its long term growth agenda, underpinned by robust investments in manufacturing, steady performance across Projects and Engineering, and the growing strength of its consumer brands. Voltas' diversified portfolio and strong governance foundation continue to reinforce its reputation as one of India's most trusted enterprises.

### **Financial Performance Overview**

*For the quarter ended 30 September 2025, Voltas recorded:*

- Consolidated Total Income of ₹2,411.93 crores, compared to ₹2,724.58 crores in the same period last year.
- Profit Before Tax of ₹54.12 crores versus ₹205.43 crores in Q1 FY25.
- Net Profit of ₹31.50 crores compared to ₹132.83 crores last year.

*For the six months ended 30 September 2025, Voltas recorded:*

- Consolidated Total Income of ₹6,432.58 crores, compared to ₹7,725.85 crores in the same period last year.
- Profit Before Tax of ₹256.84 crores versus ₹656.95 crores in the corresponding period last year.
- Net Profit for the period stood at ₹172.11 crores compared to ₹467.83 crores last year.

While results were impacted by cyclical factors in the cooling segment, the Company's diversified structure, balance sheet prudence, and operational positions it well for a rebound in H2 and sustained long term value creation.

### **Segment A – Unitary Cooling Products (UCP)**

The UCP business experienced an atypical quarter with muted retail offtake caused by the lean season, and delayed consumer purchases during the period mid-August to last week of September owing to the GST rate reduction, leading to a higher channel inventory. Despite these temporary challenges, Voltas sustained its market leadership and continued to reinforce its presence across India's cooling and comfort solutions spectrum.

Residential Air Conditioners remain the core of this segment. The quarter required higher marketing support to sustain retail momentum and to manage channel inventory, which impacted

the margins. However, market share improved sequentially from 16.0% in Q4FY25 to 17.8% in Q1 and further to 18.5% in Q2 and maintained our market leadership with a widened gap over the next brand.

The reduction of GST from 28% to 18% will see a major traction in the coming quarters as channels start stocking-up for the upcoming season and the impending BEE energy efficiency transition effective January 2026. The Company is fully ready with the new table products for the upcoming transition. This change is expected to drive consumer upgrades in the second half, providing a positive fillip to demand and product mix improvement.

Strategically, Voltas has intensified its focus on refreshing and upgrading its product portfolio with enhanced features for a better consumer experience. Further, it is focusing on distribution network expansion, cost optimization, automation, and process efficiency across its manufacturing network. Production planning has been recalibrated to reflect real time market demand and inventory dynamics. While margins were temporarily impacted by under absorption at the new Chennai and Waghodia facilities, these are strategic investments that will deliver economies of scale and long-term competitiveness as utilization improves.

Complementary categories such as Air Coolers, Water Heaters, and Fans continue to show promise, supported by ongoing product upgrades, channel expansion, and digital reach. Together, these initiatives strengthen Voltas' position as the preferred choice in cooling and comfort products.

Within the broader UCP portfolio, Commercial Air Conditioning (CAC) continues to act as a strong growth lever, supported by rising demand from institutional, retail, and light commercial segments. Commercial Refrigeration (CR) is expanding across food service, retail, and healthcare applications, further diversifying the portfolio and providing steady year-round business.

Together, these developments reinforce Voltas' strategy of evolving from a seasonal cooling brand into a year-round consumer durables enterprise with a comprehensive product portfolio combining scale, innovation, and operational excellence.

#### **Voltbek Home Appliances**

Voltbek continues to be one of India's fastest growing appliance brands, demonstrating sustained momentum across key product categories. The business delivered growth across H1 gaining market share, driven by consumer preference for high quality, energy efficient, and locally manufactured products. This performance was accompanied by a gain in market share across key categories, underscoring Voltbek's growing competitiveness and brand acceptance. Performance was broad based across Washing Machines, Refrigerators, and Small Domestic Appliances.

Voltbek's advanced manufacturing footprint, coupled with an expanding product roadmap and deep retail network, has enabled it to combine scale with innovation agility. The brand's marketing investments and growing digital presence have further enhanced consumer engagement and visibility. Voltbek remains an integral part of Voltas' long term strategy for diversification, premiumisation, and transition to a full-scale home appliances company, enabling Voltas to provide end-to-end cooling and home solutions to Indian consumers.

#### **Segment B – Electro Mechanical Projects and Services (EMPS)**

Segment B continues to be a strategic stabilizer for Voltas, mitigating the effects of seasonality in the cooling business. The domestic Infra Solutions business its advanced project execution across MEP, water, electrical and solar verticals, underscoring its engineering leadership. The business focused on timely completion of multiple projects, enhancing cash flows and optimizing execution timelines to drive efficiency and profitability.

The International Operations Business Group (IOBG) continued its disciplined approach to project management, achieving progressive execution and delivering high quality projects.

With a robust consolidated order book exceeding ₹6,200 crores and a healthy bid pipeline, the segment is well positioned to drive steady, counter cyclical growth and deliver consistent performance over the medium term.

#### **Segment C – Engineering Products and Services**

The Engineering Products and Services segment maintained operational resilience despite macroeconomic uncertainty. The Mining and Construction Equipment division saw stable performance across African and Indian markets, supported by sustained aftersales growth and innovation in hybrid machinery. The Textile Machinery Division (TMD) delivered on revenue and collection targets, with after-sales service emerging as a strong contributor to profitability. We are also focusing on adjacencies in Post-Spinning order to drive the newer growth opportunities.

With continued localization initiatives, and policy support from GST rationalization, the segment is strategically positioned to capitalize on industrial demand recovery and strengthen its technology led product portfolio.

#### **Balance Sheet and Working Capital**

Voltas managed its working capital judiciously in a quarter marked by delayed secondary movement. With retail momentum expected to pick up during the upcoming quarter and production normalization across facilities, inventory levels and cash cycles are anticipated to revert to healthier levels in H2 FY26.

**Outlook and Strategic Direction**

Voltas enters the second half of FY26 with renewed optimism and strong strategic alignment. The GST reduction and the BEE efficiency transition are expected to unlock pent-up consumer demand. The Company's integrated strategy combining product innovation, manufacturing excellence, channel revitalisation, and operational efficiency positions it to capitalise on emerging opportunities across markets. Thank you.

**Moderator:** Thank you. We will now begin the question-and-answer session. The first question is from the line of Balasubramanian from Arihant Capital Markets Limited. Please go ahead.

**Balasubramanian:** Sir, elevated inventory is a sector-wide issue, and what is our current inventory levels on the channel side? And what specific support you are providing to channel partners to prevent distress selling and maintain brand equities? Specific support in terms of extended credit, higher margins. Could you share some light on that?

**Mukundan Menon:** So, as all of you know, this has been a very difficult H1 in the cooling products category. This has come on the back of a very strong summer last year. Everybody had planned a larger inventory for the brand as well as the channel partners. So, the season, when it did not go well, obviously, there was a little higher stock.

The way we see it is currently, between us and the channel partners, there is roughly two months of inventory. And the season is going to pick up now. So, I think things will start easing out over a period of time now.

And in terms of support, we strongly believe that our channel partners are very critical to our success. And we have done everything possible to ensure this by giving better sellout schemes, subsidized installation, better consumer finance schemes to help them sell out so that in no way they get stuck with the stock. So, everything that is possible from our side, we have been supporting our channel partners to make this happen.

**Moderator:** The next question comes from the line of Mr. Achal from Nuvama Institutional Equities. Please go ahead.

**Achal Lohade:** Sir, first question is with respect to market share. You mentioned about 18.6% in 2Q FY '26. Could you help us with 2Q FY '25 market share on the similar line, sir, please?

**Mukundan Menon:** So, if you see that the sequential market share numbers have been moving up very strongly. In Quarter 4 of the last financial year, 16%. In Quarter 1 of this year, we hit 17.8%. And in Quarter 2, it further improved to 18.5%. So, I think quarter, yes, it's gone up from 16% to 18.5%. That is a delta of roughly 2.5% has happened over these two quarters, between these three quarters.

Another important thing to note is that we are the market leader, and the number one brand. The lead between us and the number two brand has also widened significantly. The gap is now closer to 3%, 2.9% to be precise. And that is a very strong indicator of the direction this is taking.

**Moderator:** The next question comes from the line of Siddhartha from Nomura Holdings. Please go ahead.

**Siddhartha Bera:** Sir, first question on the quarter near term, how have you seen in terms of the pickup? Have you sort of started seeing some growth coming back, given that we are sort of close to halfway through the quarter now? And some of these schemes which you have talked about in Quarter 2, are they still sort of in some way there, or have they been fully withdrawn? Second is, sir, on the commercial refrigeration and CAC segment, if you can just highlight how that performance has been also in the quarter?

**Mukundan Menon:** Siddhartha, essentially, the GST announcement which happened on 22nd of September. So, we had a play of a month and a half now, I would say. So, we are seeing there is certainly a secondary sale improvement, uptick in the sales of air conditioners, where the GST rate is reduced from 28% to 18%.

However, we must remember that this is a category which is highly like a summer-driven product. And the amount of sales, even though the seasonality of this category has evened out over the last many years, it still remains a seasonal product.

So, I strongly believe that the real spurt in demand will happen during the season. That means from the Quarter 4, you will see some seriously big number happening because of the GST reduction.

Both the brands as well as the channel partners are eagerly looking forward to the coming summer season. Of course, keeping our fingers crossed that the summer season is not interrupted with pre-monsoon rains like it was last year. But from a GST reduction perspective, it is a very positive trend.

On the second thing, on your other two businesses, our Commercial Air Conditioning business is doing very well. We are adding our channel partners very aggressively across the country. We are also adding new product portfolios, including centrifugal chillers and VRF systems into our product portfolio. So, this is probably going to be the next growth engine for Voltas.

**Moderator:** The next question comes from the line of Naushad Choudhary from Aditya Birla. Please go ahead.

**Naushad Choudhary:** Two, three clarification. Firstly, on the project business order book, which is Rs. 6,200 crore, within this, how much is from the international market?



**Mukundan Menon:** So, essentially, the Rs. 6,200 crores is divided as domestic projects is Rs. 4,800 crores, and around Rs. 1,400 crores is from the international business group, actually.

**Naushad Choudhary:** Can we be more specific in terms of what exactly is now started to drive this order book? Which specific area is helping us here?

**Mukundan Menon:** Yes. We will talk about the domestic project book, which is the larger order book, Rs. 4,800 crores. So, it is sort of evenly divided between the three verticals which we have within the domestic projects group, which is essentially, we have sort of diversified this portfolio. Earlier, it was largely MEP business. Now in addition to MEP, (Mechanical, Electrical, and Plumbing Business), we got an Electrical and Solar Business. And the third one is Water Business.

So, the order book is almost evenly distributed between these three. Some quarters, it goes up a little by 5% here and there, but a very diversified portfolio of project business now. While the MEP primarily comes from the private sector the other two is driven largely by the government infrastructure spending.

**Moderator:** Mr. Naushad, please return to the question queue for follow-up questions as there are several participants waiting for their turn. The next question comes from the line of Renu from IIFL Capital. Please go ahead.

**Renu:** Just wanting to understand while this quarter, we had the double value impact of inventory under overhead recoveries as well as margin pressures in UCP. How do we look at the margins going forward? And for the RAC and UCP portfolio, do you think we could end up the year with flattish numbers? Or given the first-half decline, there could be a double-digit drop in revenues for Fiscal 2026 as we are heading into the second half?

**Mukundan Menon:** Renu, the second half is actually promising. There are a couple of positive signals here. One is as people start buying air conditioners for the summer season, further sort of aided with the reduction in prices because of the GST reduction, the channel will start stocking up for the season. That is point number one.

Point number two, there is a table change which is happening from 1st January, , most of the dealers tend to do some stocking up of the old table SKUs because the government, the Bureau of Energy Efficiency, which governs this, allows the channel partners and the trade to sell this for a period of three to six months. They do not sort of have a hard stop.

So, there will be some reasonably good buying in the last month of this quarter. And of course, for the next Quarter i.e Quarter 4 of this year, there will be a good stocking up by the channel to ensure that they do not miss this large opportunity that they see because of this cost reduction, the GST reduction for the AC category.

So, I think things will only sort of ease up now. It will improve as we progress and will play out over the next five months. So, we really don't have a number against Quarter 3. It is more like a 5-month play going forward.

**Renu:** Just the second part of the question was, while volume growth may bounce back in second half, we saw under recoveries on fixed overheads in 2Q. That should be broadly addressed. As we go in second half, probably 3Q may continue to see a lingering impact of lower under fixed overhead absorption.

**Mukundan Menon:** So, generally, as the overall numbers start going up, again, a milestone of Q3 may be difficult to sort of figure out. But between now and H2, I would say, that is the entire H2, this absorption will certainly ease up. That is our feeling, actually.

**Moderator:** The next question comes from the line of Umang Mehta from Kotak Securities. Please go ahead.

**Umang Mehta:** My question was on MEP work for data centers. How big is it currently in your MEP revenues? And how are you looking at the opportunity considering one of the group companies has announced a large plan over there?

**Mukundan Menon:** Among these two large opportunities in the MEP segment is data centers and district cooling. These are large capacity, large opportunities for us. And in any requirement like data cooling, district cooling, there are two parts to the thing. There is a chiller which goes into the data centers, which gives the cooling water for the data center. And there is another piece which is to do with the entire MEP work, which is your piping, your ducting, all those things which go into the, we call it the low side of the thing.

So, we have two parts of our business: the Commercial Air Conditioning business, which currently resides in our UCP i.e Segment A, and we have got the domestic project business, which comes in the Segment B. Now, both of them will have great opportunities because in the first category, centrifugal chillers, we have started manufacturing them and some of the best sort of energy-efficient centrifugal chillers are coming out from our factories. We see this as a very good opportunity over the next few years. Even on the MEP side, we see this as a very positive development.

It is worthwhile to mention here that this entire project business of ours, including the Commercial Air Conditioning play, helps us to diversify our overall product portfolio and not limit it to only the Room Air Conditioner and the Unitary Products group. So, this is a very positive development, Umang.

**Umang Mehta:** What's the mix today?

**Mukundan Menon:** The mix between the chiller versus the low side is what you are saying, Umang?

- Umang Mehta:** Contribution of data centers in your MEP and...
- Mukundan Menon:** The current mix is very small. Like, it is less than 5% of our MEP play. It is just one or two projects at a time. But the way going forward, these data centers can constitute as high as 30%, actually.
- Moderator:** The next question comes from the line of Sonali Salgaokar from Jefferies India. Please go ahead.
- Sonali Salgaokar:** Sir, two parts to one question. What is the demand scenario right now with the near-term triggers? And just if I may ask, is there any quantification of the outlook in terms of margins or revenue, especially in the UCP you are giving for this year?
- Mukundan Menon:** Yes, Sonali, so the demand thing I mentioned, that certainly there will be an uptick in demand. Whenever we see that the first half of the year, the purchases have not been made, we see that the demand is not destroyed or destructed. We believe that the demand is deferred.
- Now, when that is coupled with the fact that there is a lower GST coming in going forward, I think this only will add, it will only benefit demand. So, demand trajectory certainly very, very positive backed with the GST reduction and also probably the pent-up demand of what could have been a sale during the period, during the summer months of April, May, and June.
- In terms of quantification on revenue/profitability, a little too early to take a guess on this. It will play out as the demand picks up and we see attraction in that. A little early to give a fix on that, Sonali.
- Sonali Salgaokar:** In terms of demand, I meant October and probably the prolonged monsoons. So, if you could share how has been the number in October, if that is something you can disclose in here.
- Mukundan Menon:** On the number front, no. But the point is that it is certainly a positive. There is certainly a positive uptick and there is a growth over a similar period last year. That certainly can be confirmed.
- Moderator:** The next question comes from the line of Natasha Jain from PhillipCapital. Please go ahead.
- Natasha Jain:** My question is more from the channel perspective. So, what we understand is there is a huge inventory carrying cost right now borne, especially by the general trade channel. And then given that winters have also onset early and it is expected to be longer, and that coupled with the GST sizzling out post-Diwali. So, just want to understand, could there be a possibility that the channel might not actually stock aggressively in 3Q, and would that result in a sticker downgrade and further discount in 4Q? That's it.
- Mukundan Menon:** Yes, Natasha, so whatever necessary things are being done in terms of helping sell out, we are spending towards that. And I think that is progressing very well, and that is giving us the confidence that there are two things which will happen. They will be ready for more buying, and there is also commitment of theirs to us in terms of our support that we are giving.

So, going forward, as the season picks up, the amount of support or the schemes that we need to give for this will start petering down. And then the natural demand for products will start picking up. So, it is just a three, four-month play before things will sort of settle back into a very steady thing in terms of the margin stuff.

**Moderator:** The next question comes from the line of Aniruddha Joshi from ICICI Prudential Life Insurance Limited. Please go ahead.

**Aniruddha Joshi:** I am from ICICI Securities. Just one question. Sir, FY '26 is a weak year now that is done and dusted. So, how do you look at FY '27? Because now exactly reverse situation will pan out in FY '27. We will see material growth. Almost 50-odd percent revenue growth is also technically possible on a very low base of FY '26.

And exactly reverse situation will play out because operating leverage will kick in, the support that you are giving to the trade, excess support to the trade, that will also shrink. So, one, is Voltas also internally looking at 50-odd percent revenue growth in UCP segment and can even the margins touch around 9%-10% plus levels? Just your thoughts on internal views on the same.

**Mukundan Menon:** Understood, Aniruddha. So, what you said about the thing playing out in a harmonic form like last year, the previous year, then seeing a huge growth and then a sharp dip this time, and the next year again a similar kind of rebound and that. And we are not sure that over the last decade or so, I don't remember something happening like this up and down uniform harmonic moment of the demand. It has been erratic. There have been some times when the year after that, of course, is a growth, but whether it has to be such a large number, we really don't know.

So, this is a pure function of the intensity of the summer. So, there will certainly be an uptick, as you mentioned, Aniruddha, because the base has dropped significantly. I completely agree with you. Whether it will be to the tune of such a large number, I think we should sort of not guess that.

The only other positive driver or trigger towards this much higher growth would be the GST reduction, whether the affordability part will make things much better. But in a very broad sense, a bullish and positive kind of sort of positive indication, I think, will do.

So, I think other than the air conditioner category, you would have noticed, we have diversified our entire product portfolio. There are different parts of our business which are doing exceedingly well. So, we are doing the commercial air conditioning, as I mentioned, being a growth engine. We are also diversifying into new areas in project business.

We are also looking at different areas in post-spinning, in the textile machinery business that we have very less talked about in the investor calls, but these are all areas of huge potential. And over the next few years, all this will start playing out.

You would have also noticed that we have become a large player in the, we have become the fastest-growing appliances company with our Voltbek appliances range. And we have started hitting some nice numbers in terms of market share, we have become the number two brand in the semi-automatic washing machines category. We are doing extremely well in the DC refrigerator category.

All this will start playing out because the sales organization is common, and the other costs will start getting sort of absorbed over a larger scale of high-growth products, actually. Again, the air conditioner thing, being the main play in this, will really add to the growth and the cost absorption story.

**Aniruddha Joshi:** Part B, in case of any massive upsurge in growth, will Voltas be ready in its, I mean to say, in terms of, let's say, manufacturing capabilities, compressors, etc., or in a way distribution also? That's it.

**Mukundan Menon:** Aniruddha, the good part about it is that what has happened is the supply chain that feeds into the overall product has become closer to India, and within India now. A majority of the product, some three, four years ago, 70% of the products used to be imported. Currently, that product import content has come down to less than 30%.

So, the supply chain length has become significantly lower, which helps us to sort of quick, we have consciously built it that way so that we are able to sort of react quickly in case there is that upsurge which, Aniruddha, you were mentioning. If something like that happens, we should be able to quickly take advantage of it and then meet the market requirements.

**Moderator:** The next question comes from the line of Akshay from UBS Financial Services. Please go ahead.

**Akshay:** Akshay this side from UBS. So, my question is regarding medium-term margin guidance. Like earlier, you used to guide between a high single-digit margin guidance. So, do you stick to that? And part to that, how do you see Voltbek reaching to EBITDA break-even?

**Mukundan Menon:** Akshay, as I mentioned, the direction is very clear that it will improve certainly because the pressures of the stock reduces, the cost initiatives that we have worked on for the new table products start kicking in, and the demand picks up. So, revenue growth, cost reduction initiatives, and the absorption of some of these fixed costs get up. So, directionally, it is very positive. Putting a number on that becomes extremely difficult.

In terms of the Voltbek appliances business, we are seeing a steady march towards a break-even. Like, there are months in certain quarters where we sort of get closer to that or near that. But on a cumulative basis, to break even on an annualized basis, a little difficult for us to put a number on that. But that is again going very much in the right direction. And as we start scaling up, you will see a positive trend on that.

Our focus currently is heavily driven towards gaining market share, being present and visible across all the 19,000-odd counters which stock up these appliances. The modern trade, regional retailers are the areas which are revenues for growth for the appliances business. We have started making a mark in the online channel both on Amazon and Flipkart.

So, the sales story is strong. The market share story is extremely strong. The margin EBIT break-even is a journey which will play out over the next few quarters of the year.

**Moderator:** Thank you, Akshay. Please return to the question queue for follow-up questions. The next question comes from the line of Praveen Sahay from PL Capital. Please go ahead.

**Praveen Sahay:** I have one question related to the project business. If you can give some color on how is the all three vertical, MEP, Electrical, and Solar and Water as a business margin, and also on the sustainability of a very high margin which we had reported for the second quarter?

**Mukundan Menon:** So, we have been very selective in the choice of our projects in the infra segment. We call it the infra segment. And there are three parts to that, as I mentioned: MEP, Electrical and Solar, and the third one being Water. So, all of them play out in a very decent sort of a margin range.

And it also depends on when some of these better margin jobs come up for billing. Sometimes across the quarters, it keeps moving. But the very selection of these jobs has ensured that, and the speed at which we are executing most of these jobs is also helping us to maintain a very steady kind of margin profile and not have a very erratic kind of profile on the domestic projects business.

So, a very high amount of confidence in terms of the sustainability of the margins, as well as the sort of not like a yo-yo thing where margins go up and down. This is a very steady margin business. Even in terms of the revenue, this is being very predictable and positive, actually.

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

**Manoj Gori:** Sir, in your opening comments, you highlighted about two months of inventory, including channel as well as brand. In an ideal scenario, what would be the number of days or months that brand plus channel would be carrying? Should it be around 45-50 days or more or less?

**Mukundan Menon:** So, we have seen typically in years where the summer has been like this, this is between two to three months has always been the kind of at this time of the season because this is like the summer season yet to pick up. So, a two to three-month inventory in terms of the quantum is not very large. So, this is very much all right now. I think things are easing out, and we will see it is not a worrisome thing at all, actually.

**Manoj Gori:** So, somewhere we believe the worst is behind us, and inventory levels have largely normalized at the current juncture for Voltas and for the industry to some extent. And based on the

discussions for the December billings, what is the sense that you are getting from the channel level, especially the organized players? Because they would be the ones who would be predominantly filling up the inventories in December. So, that is my question, sir.

**Mukundan Menon:** Manoj, what you mentioned is right. So, over the next few months, by December, things will start evening out in terms of inventory. And I also see that, as you rightly mentioned, these big players with a little more capital, they are the ones who will start investing before the summer to ensure that they have the stocks and also some leverage on the cost front.

So, I suppose this year there will be the third trigger, which I had mentioned during one of the earlier questions, which is the energy label change. So, many of these partners would like to stock up on the products of the old table because they are allowed to sell for the next many months without any issue. So, they will start doing some buying of that product portfolio also because where the price increase for the new table is a little significant. We will see selective channel partners taking selective calls on that. So, December is quite likely to be good on the revenue front.

**Manoj Gori:** So, December can be a growth month for us?

**Mukundan Menon:** I will just answer that, actually. So, the answer is indeed yes, Manoj.

**Moderator:** Ladies and gentlemen, in the interest of time, we will take that as the last question for today. I would now like to hand the conference over to Ms. Natasha Jain for closing comments.

**Natasha Jain:** I would request the management to give their closing remarks, if any.

**K.V. Sridhar:** Yes. This is Sridhar again, CFO. I think, thanks for all the questions. I hope it sort of clarified some of many of the doubts that you had. In addition to the room air conditioning, which obviously had a lot of sort of in terms of the importance, we just wanted to clarify the diversification piece that the team is working on. The presence of Commercial Air Conditioning (CAC) and Commercial Refrigeration (CR) is broadening Voltas' cooling and comfort offerings. The expanded portfolio (incl. Refrigerators, Washing Machines, Air Coolers, Water Heaters, Fans and others) not only deepen market penetration but also enhance year-round relevance, reinforcing the Company's evolution into a comprehensive consumer durables enterprise.

In terms of margins, the quarter's profitability, I think, was influenced by higher market support, softer inventory pick-up, and temporary under absorption at new facilities. These effects are transitional and expected to normalize as capacity utilization improves and product mix strengthens. Voltas continues to drive cost optimization initiatives, which will facilitate build leveraged financials, especially with the new sort of BEE tables coming in, which will facilitate leveraged financials.

In terms of market share, I think Voltas intends to strengthen its market further in a strong market leadership position as elaborated; 16% in Q4, 17.8% in Q1, and 18.5% in Q2, in cooling products category. The accelerating growth of Voltbek marks a decisive strategic shift toward a complete, integrated home solutions brand covering cooling, comfort, and appliances, establishing Voltas as one of India's most diversified consumer durables players. We feel that These initiatives collectively reaffirm Voltas' commitment to sustainable growth, value creation, and enduring leadership under the Tata ethos. Thank you very much.

**Moderator:**

Thank you. On behalf of PhillipCapital (India) Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.