VOLTAS

3rd February, 2026

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 Q3 FY26 Earnings Conference Call

Dear Sirs,

Further to our letters dated 23rd January, 2026 and 29th January, 2026, we enclose herewith a copy of the transcript of the Q3 FY26 Earnings Conference Call held on 29th January, 2026.

The same is also being made available on the Company's website at:
https://www.voltas.in/investors/disclosure-under-regulation-46-lodr/schedule-of-analysts-or-institutional-investors-meet

Thanking You,

Yours faithfully,
For **VOLTAS LIMITED**

RATNESH PRASAD RUKHARIYAR
Digitally signed by RATNESH PRASAD RUKHARIYAR
Date: 2026.02.03 19:33:18 +05'30'

Ratnesh Rukhariyar
Company Secretary & Compliance Officer

Encl: as above

"Voltas Limited Q3 FY'26 Earnings Conference Call"

January 29, 2026

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** **MS. SUMANA TRIPATHY - HEAD (FP&A), VOLTAS LIMITED** **MR. VAIBHV VORA - HEAD (COMMERCIAL), VOLTAS LIMITED**
MODERATORS:	**MS. NATASHA JAIN - PHILLIPCAPITAL (INDIA) PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Voltas Limited Q3 FY'26 Earnings Conference Call hosted by PhillipCapital.

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

I now hand the conference over to Ms. Natasha Jain from PhillipCapital. Thank you and over to you, ma'am.

Natasha Jain: Thank you, Sagar and good evening, everyone. On behalf of PhillipCapital, I welcome all of you to the 3rd Quarter FY'26 Earnings Conference Call of Voltas India Limited.

From the Management today, we have Mr. Mukundan Menon – Managing Director; K. V. Sridhar – Chief Financial Officer; Nikhil R. Chandarana – Head (Corporate Finance); Sumana Tripathy – Head (FP&A) and Vaibhv Vora – Head (Commercial).

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

K.V. Sridhar: Thank you, Natasha. Good evening, all. Glad to connect again for the quarter call.

Just to give you a brief:

Voltas strengthens its leadership in Q3, backed by Room Air Conditioners (RAC) recovery and sustained performance from other verticals. Global conditions in 2025 remained unsettled with geopolitical tensions, new tariff actions and periodic supply chain detours creating volatility across input categories such as energy, base metals and select electrical components. At the same time, uneven global growth, currency and commodity fluctuation and persistent policy uncertainty tempered sentiment across several markets even as emerging economies, most notably India, continued to demonstrate relative resilience driven by steady consumption and sustained public investment. This environment shaped a mixed demand backdrop for consumer facing categories and infrastructure linked sectors, forming the macro context in which Voltas consumer and projects business operated during the quarter. Voltas Limited announced its financial results for the quarter and 9-months ending 31st December 2025.

Through this quarter, the Company's performance was anchored by the Room Air Conditioning business, driven by healthier channel activity following the GST rate cut and buying ahead of the BEE star label transition as customers anticipated price hikes on the new table.

The Project business continued to lend stability through consistent execution and strong order pipeline, reinforcing to continue to length stability through consistent execution and a strong order pipeline reinforcing the strength of Voltas diversified portfolio.

Management remained focused on market leadership in the Cooling Segment, regulatory preparedness and discipline performance across businesses. At an overall level for the quarter, Total income was Rs. 3,130 crores against Rs 3,164 crores last year. Profit before tax was Rs. 116 crores after factoring in the labor code impact versus Rs. 191 crores in Q3 2025. Net profit was at Rs. 84 crores against Rs 131 crores last year.

For the 9-months ending December 2025, the Total Income was Rs. 9,552 crores compared to Rs. 10,890 crores last year same period. Profit before tax was Rs. 373 crores versus Rs. 848 crores in the corresponding period last year. Net profit was Rs. 257 crores compared to Rs. 599 crores last year same period.

In terms of the segment performance a bit in depth, in terms of,

Segment-A – Unitary Cooling Products (UCP)

The Segment delivered a relatively steady performance in both volume and revenue despite inherent seasonality and the impact of a shortened second summer. The Room Air Conditioner (RAC) business continued to anchor Segment-A, maintaining Voltas' leadership position with 17.9% Year-To-Date market share and benefiting from strong channel activity following the GST reduction and buying ahead of the upcoming BEE star label transition. Growth during the quarter was driven by structured network expansion with micro-level targeting, improved channel readiness and sharper retail and digital activation across priority markets. These changes are expected to drive consumer upgrades in the coming quarter, providing a positive fillip to demand and product mix improvement. Complementary categories such as Air Coolers, Water Heaters and Fans, though facing some headwinds due to inventory overhang, continued to build relevance through refreshed lineups, wider retail reach and sharper digital activation, reinforcing Voltas' comfort solution positioning and broadening the non-seasonal share of cooling products. Together, these initiatives support brand preference and strengthen category resilience into the upcoming season.

Within Segment-A, Commercial Air Conditioners (CAC) continued to act as a growth contributor, supported by corporate, commercial and industrial demand with healthy traction across product categories and AMC business. Commercial Refrigeration (CR) delivered a softer quarter amid slower product offtake and competitive intensity. The focus remained on sharpening the offer in priority segments and stabilizing the mix to support sequential improvement. Together, CAC and CR reinforced diversification within UCP and helped balance seasonal volatility in room cooling.

Segment-A margins in Q3 reflected the seasonal profile of the quarter and the competitive environment with profitability shaped by higher channel and customer support. In the coming quarter, management remains focused on mix improvement, cost optimization and structured network expansion to support sequential recovery. The Company is fully ready and realigned for the new BEE efficiency table with refreshed lineups and calibrated pricing architecture in place and is geared to meet seasonal demand with aligned production plans across Pantnagar and the new Chennai factory. Production capacity utilization, operational efficiency improvements and supply chain actions have been tuned to support faster ramp up into the season and improve availability of priority SKUs.

Voltbek Home Appliances

Voltbek delivered a solid Q3, sustaining broad-based momentum across Washing Machines and Refrigerators, led by dominant Semi-Automatic Washing Machine Segment and a clear step-up in Fully Automatic Top load alongside a stronger showing in the Frost-Free segment in an expanded energy-efficient locally manufactured lineup. In Refrigerators, Voltbek's overall market share stands at 6.2% year-to-date and in Washing Machines at 8.2% year-to-date, reflecting improved portfolio relevance and tighter in-store execution.

Voltbek will sustain momentum through a focused brand-led premiumization strategy combining high-impact consumer engagement and an expanded energy-efficient portfolio across categories to deepen preference and conversion across priority channels while steadily broadening the franchise towards a full-scale home appliance platform that complements Voltas' end-to-end home solutions. In parallel, ongoing pricing and cost optimization initiatives across the portfolio are intended to support margin resilience as scale builds through the season. Together, these developments reinforce Voltas' progression from a predominantly seasonal cooling business to a year-round, full-stacked consumer durable enterprise supported by a broader innovation-led portfolio and disciplined operational execution.

Segment B – Electro Mechanical Projects and Services (EMPS)

The Domestic Projects business continues to book and execute orders across all verticals, underscoring engineering depth and multi-vertical presence. Prudent selection of projects backed by on-time handovers, tighter project governance, and cash conversion facilitated the margin expansion. The international environment remains competitive for fresh wins, but delivery momentum supported by a mix of ongoing projects and disciplined project engagement. During the CY'25 year-to-date, Voltas secured new orders and lifted the order pack, and the International Project business reported sequential exposure reduction, reflecting tighter commercial controls and collection.

With a robust, consolidated order book of around Rs. 6,100 crores and a healthy order pipeline, the segment is well-positioned to drive steady growth and deliver consistent performance over the medium term.

Segment C – Engineering Products and Services

The Mining and Construction Equipment Division delivered steady topline growth, supported by continuity in operations and maintenance contracts, and sustained demand for powerscreen crushing and screening machinery. Going ahead, the Mining and Construction Equipment Service annuities and a healthy inquiry funnel provide performance feasibility.

The Textile Machinery Division (TMD) business was adversely impacted by macro backdrop, notably the 50% U.S. tariff imposition on certain textile products, which weighed on MSMEs and led to production cuts and softer domestic demand for yarns and fabrics. Execution of pending orders, strong after-sales, run rate, and post-spinning momentum helped cushion the effect. Looking ahead, TMD remains focused on after-sales, post-spinning mix, and disciplined delivery while looking forward for a recovery in the core spinning category.

Balance Sheet and Working Capital

Working capital was tightly managed in Q3, with improved inventory and receivables ahead of upcoming season, supported by availability of priority SKUs and steady project buildings and collections. Commercial controls, selective order intake, and exposure reduction further supported a stable position despite uneven demand pockets and a competitive environment. Overall, the company exited the quarter with a balanced working capital profile. As Voltas enters Q4, focused on execution and seasonal readiness, the Company is fully aligned to the new BEE efficiency table with a refreshed RAC lineup and calibrated pricing, and is geared to meet peak season demand with aligned production plans across factories, including the new capacity ramp-up at Pantnagar and at Chennai. The priority is to boost all demand sources, core retail, organized trade, and institutional, while optimizing resources across manufacturing, supply chain, and channel. The Project business will continue to selectively book and execute across all verticals in which we are present, supported by a healthy bid pipeline and stronger project governance. Overall, the strategy remains simple and focused. Be regulatory ready, scale efficient into the season using the expanded manufacturing footprint and convert demand with sharper in-market activation and disciplined delivery across businesses.

In terms of margin, we are committed to further optimize costs through value engineering, better inventory planning, while being cautious about the impact of commodity and currency fluctuations.

Thank you.

Moderator: Thank you very much. We will now begin with the question-and-answer session. Our first question comes from the line of Aditya Bhartia from Investec. Please go ahead.

Aditya Bhartia: Hi, good evening, sir. So, my question is on, you kind of referred about raw material inflation and rupee depreciation impact. So, my question is, what kind of price increases do you think are warranted? And given that we are coming from a fairly weak season, do you think that the industry would be in a position to pass on these price hikes or part of that may need to be absorbed by the Company? And you also mentioned about cost optimization. So, what are the measures that you can undertake to kind of partly offset this impact? Thank you.

K.V. Sridhar: Thanks. Thanks for the question. I think it's a valid one given the environment that we are in. So, you see, this quarter will be a slightly mixed one in terms of navigating the old table sales and also the new table sales. So, we would sort of be having a very balanced approach in terms of trying to navigate the pricing. Will the commodity and the currency fluctuation have an impact on the pricing? Definitely, yes. There will be an impact of the pricing. But how much and when to sort of pass on is something it's a very dynamic decision that we will have to sort of look at it fairly almost on a daily basis. And I think the pricing decisions will have to be fairly dynamic. So, to put a number would be difficult. But is there an impact on the pricing? There is an impact on the pricing. We are looking at it ongoing basis and we will take a call accordingly. The new table also, I think, will take some time for the pricing to stabilize on that front. And that, I think, will also take a few months, given that this quarter is likely to be a mix between old table and the new table sales.

Aditya Bhartia: Understood, sir. Thank you so much.

K.V. Sridhar: Thank you.

Moderator: Thank you. Our next question comes from the line of Aniruddha Joshi from ICICI Securities. Please go ahead.

Aniruddha Joshi: This is Aniruddha Joshi here. So, my question is, what was the exit market share at the end of either November or December, if you can share? You have shared YTD market share. And secondly, was there any excess trade discount given to clear the inventory at the end of December? And last point, there is a very strong market share across both categories, Refs and washers. But despite that, the profitability still remains, in a way, still in red. So, how do you see the profitability? Earlier, there was an indication by end of FY'26, it should be profitable. So, how should we read about Voltas Beko? That's it from my side.

Mukundan Menon: Thanks, Aniruddha. So, this is Mukundan Menon here. So, on the market share, our exit market share for the month of December is also at 17.9%, which coincidentally coincides with our YTD market share also, which is at 17.9%. So, if you recall, when we began this calendar year, that is the Jan to March quarter, we had a market share of 15.8%. And that has grown to 17.9%. So, over the last 12 months, we gained market share of roughly 2.1%, which is a good, I think, it holds us in good stead. In terms of schemes, yes, most of the channel partners had a lot of inventory with them, and it is imperative for us to help them to clear the stocks. So, the schemes were progressively being given to them during the Quarter 3. But as we approach summer, these schemes will start becoming a little more market demand related. So, indeed, to facilitate the secondary sales schemes and discounts were offered in Quarter 3, which is reflecting in our margin profile also, if you see. Going back to Voltas Beko, the story is a little different. Here the primary focus is to gain market share, which we are doing consistently. Refrigerators, we are at a market share of 6.2%. And this is a gain of roughly 1.1% over 6.2% for the YTD number. However, the exit November number, the December number we haven't seen as yet, is a better number at 6.8%. And the Washing Machine market share, YTD is 8.2%. But the exit November number is again a very healthy 10.2%. So, here the focus is about gaining market share, about making our presence felt. And the profitability in a way, the scale is slowly getting us to a place where in the very near future, we will see this get into at least a break-even kind of situation.

Aniruddha Joshi: Okay, sure, sir. This is very helpful. Many thanks.

Mukundan Menon: Thank you, Aniruddha.

Moderator: Thank you. Our next question comes from the line of Natasha Jain. Please go ahead.

Natasha Jain: Thank you. Sir, just one question. Given that we have one of the highest assembly capabilities and the season for calendar '25 was bad, so I assume that we were also left with higher number of inventory. And given that sequential growth for Voltas in UCP has been quite high, is it fair to assume that channel is sitting with larger inventory of Voltas? And by that logic, is it again fair to assume that if and when summer picks up, market share growth for Voltas in 4Q will be sharper than peers? That's it. Thank you, sir.

Mukundan Menon: So, Natasha, very well said. On the second point, the market share will see a very positive trend because of the volume sales and the primary billing that we have done is significant. So, the market share gains will be visible in 4Q for sure. Inventory of Voltas, my sense is that we are talking about a few weeks, 5 to 6 weeks of inventory is there in the channel. And it's just a matter of time. By March middle, I suppose, the entire inventory will get finished. So, that's the way we see it. So, it's not a very high number because the summer season is going to pick up. So, between February when the summer begins from Kerala and then moves on towards Tamil Nadu, Karnataka and comes into Maharashtra, I think we are talking about a clear 45 days, less than 45 days for the inventory of our channel partners to sort of deplete completely.

Natasha Jain: Thank you, sir. That's helpful.

Mukundan Menon: Thanks, Natasha.

Moderator: Thank you. Our next question comes from the line of Girish Achhipalia from Morgan Stanley. Please go ahead.

Girish Achhipalia: Hi, sir. Mr. Mukundan, I had one question on the price hike that the system and you would need because of the copper being where it is, aluminum being where it is and the rupee being where it is. My estimate says that it could be between 12% to 14%, basis the commodity move as well as the new norms that have kicked in and also some e-waste rules, etc. So, if you can comment, I know this is going to be a mixed quarter, some old inventory, some new inventory. But once the new inventory comes through, is that a fair assessment of price increases needed and how much has already been taken, if at all, in the month of January? Thank you.

Mukundan Menon: Thanks, Girish. Actually, Mr. Sridhar will addresss this.

K.V. Sridhar: Thank you, Girish, for the question. I think it's sort of comparable to the first question that sort of came up. So, this quarter will be a mixed one between old table and new table. So, obviously, the costs will be different, as you know. And by the time the prices stabilize as part of the new table, I think it will take maybe a couple of months. I think that's likely to be the case. And that's what our sense is also. So, we will have to sort of do a wait and watch. But to your primary question, is there an impact of commodity and currency? There is.. But the exact quantum and how the price transition will happen, that I think we will have to do a bit of wait and watch. We are sort of monitoring it almost regularly. And any dispatching decisions, we are linking it to the market requirements. But there is an impact of currency and commodity hedging.

Girish Achhipalia: But directionally, am I right in the ballpark for the new rules that have been applicable and the commodity, if they were to remain for the new inventory that you place in the system?

Mukundan Menon: So, essentially, the thing is that the table change impact on the pricing is a little different for the 3-Star and a little different for the 5-Star. 3-Star is a little lesser, but 5-Star is a very, very significant increase. So, the increase will impact the 5-Star more. Now, the impact of the commodity, the copper and the dollar, these are the moving pieces in this entire thing. So, the overall numbers will be a summation of these three things. The table change increase for 3-Star plus the commodity and copper for the same. The table change impact for the 5-Star and the copper and the currency impact for the same. So, typically, 5-Star will be a much higher number. As Sridhar said, it's still too many moving parts in the overall thing. We are unable to really quantify the number to whatever you mentioned. But the fact of the matter is these all will impact the pricing certainly because these are not small numbers by any stretch of imagination.

Girish Achhipalia: Best wishes, sir. Thank you.

Mukundan Menon: Thank you, Girish.

Moderator: Thank you. The next question comes from the line of Naushad Chaudhary from Aditya Birla Mutual Funds. Please go ahead.

Naushad Chaudhary: Hi, thanks. One question on the Project business. This business is consistently declining though we are adjusting the Domestic and International portfolio. But on an overall basis, this business seems struggling. So, just wanted to understand by when the order book slide should stop and from when we should start experiencing growth in the order book? And if this business has a potential to be a Rs. 10,000 crore of business and if yes, how much time will it take to reach those scale?

K.V. Sridhar: So, Naushad, this Project business has got two parts, as you rightly pointed out. There is a Domestic and there is an International business. So, the general thing is that across both these businesses, the Domestic and the International, we have been very careful in terms of picking up projects over the last 12 months, I would say. So, we have been very prudent in selection of the clients. There are proper guidelines and frameworks for that in terms of nature of client, the credentials of the client, the payment terms, the margin profile and the exposure of bank guarantees, the liquidity damages. We work around multiple things. So, if you ask the size of the order book might have diminished, but the health of the order book is very, very healthy compared to what it was a year ago. So, we have been very prudent and we have been extremely prudent, especially in the International business, where we have been very careful in selection of the clients. And essentially, we are going after projects where we get a sort of a preferred sort of vendor thing compared to others. So, we are not really bothered about the overall size of the order book, because these are generally order books which sort of get built over a period of 2-2.5 years or so. In terms of the Domestic Projects, again, if you see, there are three different verticals. The first one is the Mechanical,Electrical and Plumbing - MEP vertical. The second one is the Water vertical and the third one is the Electrical and Solar vertical. The Electrical and Solar as well as the Water vertical predominantly operates in the government space, and these are long gestation projects with a fair amount of sort of a working capital locked up for a larger period of time. We have been very prudent in picking up jobs in this category and we have been very selective about it. However, in the MEP vertical , we have been picking up fairly good, healthy jobs. In the manufacturing segment, we are also focusing on the data center segment. And these are the general industrial Segment-And data center are the segments which are very fast track, have a quick completion, very low risk and in terms of profitability also the quick turnaround. So, we have been prudent in this. So, the size of the order book is less important compared to the health of the order book. That's the way we see it, Naushad.

Moderator: Thank you. Our next question comes from the line of Akshen from Fidelity. Please go ahead.

Akshen: Hi, sir. Congratulations on a good show on the market share. I just wanted one clarity from you on how should we be thinking about margins in the Unitary business? It's been a tough year right now. You've been used to making 8% to 10% margins here. Given what you know in terms of cost pressures, in terms of channel inventory, not in like Q4, but just generally over the next year or two, what's the kind of margin should we be thinking about? Do margins go back to 8% to 10% or do you think we should first focus on getting topline right and then focus on getting the margins right? That's the only question. Thank you.

K.V. Sridhar: So, Sridhar here again. So, I think a fair question. I think in terms of where we see whether it's market share or margins, I think it's never quite possible to sort of give either or answer to be fair. I think it's both has to be sort of balanced while we don't want to lose out on the market leadership that we have, we want to sort of focus on. At the same time, we have to continue to focus on the margins also. So, in terms of if you see the intent is to sort of focus on the cost reduction initiatives very very prudently, in a very institutionalized manner. Look at any pricing opportunities that we have. We are also looking at mixed opportunities in terms of from a product portfolio point of view. So, we are looking at all multiple aspects in terms of trying to see how we can sort of focus on the margin improvements also. So, it's not either or none in all fairness. It is an and, and the focus has to be there on both. The top line has to happen and also in terms of market share growth, at the same time, focus continues on margins also.

Akshen: Sorry, just continuing that question. There is no doubt that incremental margins will sort of improve. Just sort of want to de-lever on that point a little more. Just to, when we think about margins, so you're saying incremental margins will move up with all the initiatives that you outlined, which is a fair summation and a good strategy. I am just trying to understand the trajectory of that, because from where we are to let's say where normative margins is a decent gap. So, I am just trying to understand, should our expectations be towards 8%-10% right away or should it be over a period of time? That's the only clarification.

K.V. Sridhar: So, the recovery would be sequential as we sort of discussed. Right? And also there are too many moving parts, unfortunately, in this piece. I think the commodity inflation, the currency depreciation. So, there are multiple moving parts and also the table change impact also. So, there are multiple moving parts in this. Intent is to sort of get better. Will it be a sequential improvement? There will be a sequential improvement where and when we will reach, unfortunately, it will be maybe too soon to sort of quantify. That's the only point where we are. But intent is to sort of definitely get better and come closer to the expectations that we have. Akshen sir, does that answer your question?

Akshen Yes, it does. Thank you. Thank you so much.

Moderator: Thank you so much, sir. Our next question comes from the line of Renu from IIFL Capital. Please go ahead.

Renu: Hi. I have only one question. So, what would be your strategy for the Domestic MEP portfolio? How is our market share stacked up and what is the strategy of getting Voltas back on the mainstream with market leading share and margins from a medium term perspective?

Mukundan Menon: So, Renu, you're referring to the domestic MEP project segment or overall domestic?

Renu: No, the domestic MEP or the HVAC portfolio that we are looking within the projects part of the business. Not Water, not Electrical, Solar, core MEP?

Mukundan Menon: Understood. So, as I said, we have decided that we will focus big time on the MEP part of the infra project. That is less of Water, less of Electrical the way you have found it. And essentially within MEP also there are 2 or 3 different customer categories. One is the industrial and data center category, which we call it manufacturing and data centers. And the second one is the commercial buildings, which is to do with shopping malls and so on and so forth. And there's a third category, which is metros, airports and so on and so forth. So, the focus currently is that we want to have a larger pie of the manufacturing and the data center market. We are also looking at the steady flow. These are generally fast track projects which will quickly give, are turned around within less than 9 months to 12 months. And we are also looking at the metro and such infrastructure projects, which are generally spread over a longer period of time, but come with a lot of comfort with respect to the price variation clauses and the risks are very limited in this. So, a mix of these two and a little lesser focus on the commercial is what we are looking at. And of course, the Electrical and the Water segments are areas which we have been very careful now. And we are just cherry picking the project that we wish to do in this category.

Renu: And sir, what is the current market share?

Mukundan Menon: Just in this area, there is generally this market shares don't get tracked because, for example, MEP, the overall size of the market and the overall sort of we don't capture that data from an external. There are no external data things. It is all depending on the orders that you quote and the orders that you win versus the orders that you lose. We have some internal, I think which we...

Renu: Assessment of the market share.

Mukundan Menon: Yes, very difficult to say because it could be even wrong because there are many projects which we would not even know that have been bid. It's possible.

Renu: Understand. Thank you so much, sir.

Mukundan Menon: Thank you, Renu. Appreciate it.

Moderator: Thank you. Your next question comes from the line of Pulkit Patni from Goldman Sachs. Please go ahead.

Pulkit Patni: Sir, thank you for taking my question. Sir, some of your peers have interpreted the BEE norm change slightly differently, i.e. that they can continue to sell those ACs for a slightly longer period of time. And in which case they have actually not liquidated that inventory. Now, my question is, assuming all that's true, in the 4th Quarter, which is the current quarter, is it fair to assume that whatever you sell in the primary market will be higher cost inventory and compared to companies which have old inventory basically benefiting? So, I am just trying to understand in the 4th Quarter, is there a possibility that in the primary side we may have slightly softer revenue? And as you rightly highlighted, that by the time we get to summer, it will all normalize. Is that a fair assumption?

Mukundan Menon: So, there is, I think the BEE norms, there was a Gazette which came in a year ago, which none of us had even noticed. When we got closer to the end of the year, all the industry woke up to that and realized that it prohibits you from manufacturing the new products from 1st of January 2026. But both the manufacturing brands as well as the channel partners can sell this till June end. Most of us had a sense of this by November end, we got to know that this is the rule. So, most of the brands have stocks of the old table products and so do we have stocks of the old products. And depending on when these stocks, like for example, there's a bunch of product SKUs in the 3-Star bucket, there's a bunch of SKUs in the 5-Star bucket. Depending on when these stock levels deplete to zero, the new table products will be introduced into the market. And so each brand, all the brands are almost on an equal level playing field with respect to availability of the old stock versus the new stock. All of them have started manufacturing new products right from November, but obviously the focus would be to liquidate the old table stocks before you start selling the new table stocks. Does that answer your question, Pulkit?

Pulkit Patni: Absolutely, that's very clear. So, effectively, you are at even level with others when it comes to the 4th Quarter channel inventory.

Mukundan Menon: Very much.

Pulkit Patni: Thank you for that answer.

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

Umang Mehta: Hi, thanks for the opportunity. Just building on to the last question. You mentioned about micro-targeting markets, also greater focus on modern trade GT. In this performance that you've shown in 3Q, have you added any new accounts on MT, institutional? You mentioned about some gaps you had in the past with your first interaction with us. Could you share any insights on this?

Mukundan Menon: Umang, actually what we embarked on is we started tracking almost 29,000 counters across the country which sell these products spread over 19,000 pin codes. We have a very structured network acquisition plan which we have put in place. We have added a decent number of channel partners either directly through as a direct billing point. We have also added a fair amount of counters through our distribution network. That's as far as the General Trade is concerned. In terms of modern trade, we have a fair presence across all the three Modern Trade. We call the "Three Bigs" – the Reliance, the Croma and the Vijay Sales as Modern Trade in our terminology. We have got a presence across all of this. The focus now is to have a higher share of their wallet. That is the focus now. There is a bunch of roughly 85 or so Regional Retailers where we see that our presence can be improved. So, there is a major focus in entering many of the Regional Retailers especially in the South and the West markets which are heavy on the regional retailer space. We are making good progress on that as well actually. That's as far as the channel partner is concerned. Institutional sales is essentially we do a decent number in institutions. This comes from things like banks. It comes from builders. We are making very good progress there as well.

Umang Mehta: Thank you so much.

Moderator: Thank you. Your next question comes from the line of Tavishi Mehta from ICICI Prudential Mutual Funds. Please go ahead.

Tavishi Mehta: Hi, sir. Sir, as per my calculation, due to commodity price rise, the cost as a percentage of BOM is actually increasing by 8%-9%. As a percentage of selling price, if we see, it will be somewhere around 6%. Correct me if I am wrong. But basically, how does Voltas think to pass this on? Additionally, even BEE norm will also have around 5% cost increase. So, overall, how do we think on pricing going forward?

Mukundan Menon: So, Tavishi, what you said is like the BEE norm that I just explained a little while earlier to a question regarding the price increase which Girish had asked. So, essentially, the price increase is also like the 3-Star has a different impact. The 5-Star has a far more sharper increase impact. So, that obviously will get passed through. The commodity and dollar, actually both of them are on an upward trend as you can imagine, essentially copper. The impact of aluminum is not like on the overall BOM is not that heavy. But copper is the big sort of item on the BOM. So, again, model-wise, this changes because there is some amount of copper which goes into a 3-star. There is another amount of copper which goes into a 5-Star. So, we are assessing the impact of all this along with the third dimension which is the dollar impact. And as our CFO – Mr. Sridhar mentioned, we are monitoring it very closely. And then closer to the time when the new table products start getting introduced into the market, we will take a call on this. But the direction is that actually there is going to be a price increase. And many of these will have to be passed through to the channel partners through consumers.

K.V. Sridhar: Just to add to what Mr. Menon said, as you mentioned, we also are working on a clear cost optimization program also. So, that is also a set-off that we will have to sort of factor in. It is a fairly dynamic situation, a mix of products being sold. So, we are monitoring that and will take the pricing decision appropriately, factoring all these variables.

Tavishi Mehta: But can we expect some price increase in coming quarters?

K.V. Sridhar: Just to add, there would be an element of price increase. There would be. I mean, that much I think we have clarified. There would be. How much is something we will have to sort of see depending on all the variables.

Mukundan Menon: So, price increase is the reality. The quantum amount and when the exact time when the new products will come into the market are the moving pieces in this entire thing. We also have some cost-down projects which we are doing. The overall price will increase. Obviously, it will increase, actually. The numbers are a little early to say as of now.

Tavishi Mehta: Sure. Okay. Thank you.

Mukundan Menon: Thank you, Tavishi.

Moderator: Thank you. The next question comes from the line of Balasubramanian from Arihant Capital. Please go ahead.

Balasubramanian: Good evening, sir. Thank you so much for the opportunity. In MEP, our data center share is less than 5% and we are aiming to 30% in the medium term. What specific orders or tenders you are bidding in this space? And how does District Cooling fit into your MEP strategy? And you are partnering with international players for technology side? Thank you.

Mukundan Menon: So, MEP, the data center thing is just opening up. We are doing a couple of projects now, actually. And the same funnel for the data centers is also very healthy. So, we are bidding for quite a few projects. As I mentioned earlier, the focus is to win data center projects using a combination of 2-3 levers. One is essentially, as you know, a data center needs the cooling equipment, which is Chillers and mostly it is Screw Chillers or Centrifugal Chillers, where we have made significant progress with a new technology partner alliance, which I mentioned in the last meeting. So, we probably offer the best energy efficient products in the Screw category. And we also offer the best energy efficient products in the Centrifugal category. Centrifugal has two variants. One is the regular Centrifugal Chillers and the second Oil-free Chillers. Across these three segments, we have probably the most energy efficient products. And energy is a big portion of the OpEx of our data center. So, we are very confident of getting these chiller orders from the data center and we are bidding this together with our MEP division, which is mechanical, electrical, and contracting, that entire group. So, that makes us a single source vendor to the data center. So, this cross-functional, the cross-divisional approach to this entire data center, we will move towards the overall share, whether it will go to 30% so soon, I am not sure. But the direction is very clear and we are seeing some fairly early, good sort of tailwinds for us in that thing. District Cooling also, because of our presence in the Centrifugal chillers, District Cooling essentially comes with a Centrifugal kind of scope, mostly, at the Scroll and Screw. There again, because of the most energy efficient Chillers in both the categories, we have a fair chance of getting a higher share from this. This is normally dominated by the three American brands, which is York, Trane, and Johnson Controls. And we have a fair chance to compete with them in this space as well. So, I think over the next 12 months, this entire story will pan out Bala.

Balasubramanian: I got it, sir. Thank you so much for the detailed answer.

Mukundan Menon: Thank you.

Moderator: Your next question comes on the line of Akshay Gattani from UBS. Please go ahead.

Akshay Gattani: Hi, sir. Thank you for the opportunity. So, given Voltas now have decent in-house capacity, so what will be your strategy for this upcoming season between insourcing and outsourcing for manufacturing? And do you expect the higher backward integration, which is there in the Chennai plant, will start to flow into better margins if the demands for upcoming season turn out the way you're forecasting?

Mukundan Menon: So, Akshay, the backward integration of Chennai has already started playing out. As I had mentioned in the last, I think, meeting that we had, there are many things which we were not backward integrated in Pantanagar, which we are backward integrated in Chennai. One is the entire Sheet Metal work, which is the outdoor body. Second is the Powder Coating and the Painting of that outdoor unit, which is, again, a high-value addition sort of process. The third is the entire Indoor Unit Plastic Injection, Moulding of that internal plastic part and a fully backward integrated Oil and Fin Shop. We used to have partly the Coil and Fin Shop in-house and we used to do some sort of buying of the Coils and Fin Assembly also in Pantanagarh plant. So, the entire play of the Chennai backward integration will play out fully. In terms of the outsourcing versus insourcing, Akshay, the thing is that our Window Air Conditioners, as we have been doing all along, has always been outsourced from the local OEM manufacturers. And we continue with that sort of the same thing. We are not making any change. However, the Split Air Conditioners, which is essentially now predominantly the inverter splits, we are doing it in a way that there are two things. One is there's a steady sort of visibility about what will be certainly required that is in-house. And some of the spikes and the ups and downs which come during a very good summer, those are generally being catered by the OEM.

So, it's a blend of both. And we are taking a very judicious call in terms of picking up how much of these from the OEMs. And we have also been very judicious about picking up from the right OEMs in terms of geography. There are some products which are closer to the West market, some products which could sell more in the South market.

So, we have been very selective in picking those OEMs which cater to the products in that market. So, very carefully planned out this season, Akshay.

Akshay Gattani: Got it, sir. This is very helpful. Thank you.

Moderator: Thank you. Your next question comes from the line of Dhruv Jain from Ambit Capital. Please go ahead.

Dhruv Jain: Hi, sir. Just one data point. All my other questions have been answered. If you could just spell out the capacity utilization of the current Chennai plant and in the upcoming season, what is the level at which you expect it to run?

Mukundan Menon: Capacity utilization? Actually, it is almost 90%. So, we have two plants, one in Pantnagar, which is operating at, I think, 100%. And the Chennai plant, we have built a capacity of 1 million units, which we are in the process of expanding to 1.5 million capacity in another 1-2 months. Our sense is that this summer season, we would have maximized the capacity utilization to almost between 85% to 90% or so, Mr. Jain.

Dhruv Jain: And, sir, if you could just talk about the CAPEX plan.

Mukundan Menon: CAPEX plan. Essentially, Mr. Jain, you're saying as an organization or it is mainly for room air conditioners?

Dhruv Jain: If you could break it into both, that would be great.

K.V. Sridhar: So, can we take this offline, Mr. Jain, if you don't mind? You can reach out to the team.

Dhruv Jain: Sure, sir.

K.V. Sridhar: Thank you for understanding, Mr. Jain.

Moderator: Thank you. We will take the last question from the line of Sunny Gupta, an Individual Investor. Please go ahead.

Sunny Gupta: Sir, you told that there was a pre-buying in December quarter, so will this effect be seen in January month, vis-à-vis January 2025?

Mukundan Menon: Actually the pre-buying in December actually was in a way a very positive thing for us. We were very pleasantly happy with the result that we have done. And a little bit of this might be the January thing, but as of now, we are not seeing any decline in our numbers. So, it's probably laying a runway for a good January and hopefully for a good February and March, Mr. Gupta.

Moderator: Thank you. Ladies and gentlemen, I now hand the conference over to Ms. Natasha Jain for closing remarks.

Mukundan Menon: Thank you. Actually, we have our CFO – Mr. K.V. Sridhar, making his closing remarks now.

K.V. Sridhar: Thanks all for the participation. Just maybe a few comments towards the end. So, I think all these priorities, I think, position Voltas to enter the season with sharper readiness, stronger execution muscle, and a more efficient operating base. As cost optimization efforts take effect, the Company expects to strengthen margin resilience and create a more leveraged financial profile. With this foundation, Voltas remains well-placed to enhance its leadership in the cooling segment while steadily expanding its portfolio as a comprehensive diversified cooling home appliances and engineering project solutions provider. Thank you.

Natasha Jain: Thank you. That ends the conference. Participants can disconnect their call.

Moderator: Thank you so much, everyone. On behalf of PhillipCapital, that concludes this conference. Thank you all for joining us and you may now disconnect your lines.