

AC makers expect to see uptick in sales ahead of BEE star labelling norms implementation from Jan 1

Meenakshi Verma Ambwani

New Delhi

Air-conditioner makers expect to see an uptick in sales in Q3 FY26, ahead of the implementation of the new BEE star labelling norms, which will be implemented from January 1. Companies expect consumers to advance their purchases ahead of the summer season. Retailers and distributors will also look at selling out inventory with older star rating labels, experts believe.

With the implementation of the new BEE star ratings for air-conditioners, as well as other factors such as rupee depreciation, prices are likely to go up 7-10 per cent



PRICE IMPACT. With the implementation of the new star labelling, prices of air-conditioners are expected to go up by ₹2,000-3,000, depending on the model

effective January, experts estimate.

Kamal Nandi, Business Head and EVP at Appliances Business of the Godrej Enterprises Group, said, "We expect to see an uptick in demand for air-conditioners in

December as a section of consumers are likely to advance their purchases before the new ratings become effective till the stocks last with the retailers."

He added that with the implementation of the new star

labelling, prices of air-conditioners are expected to be increased by ₹2,000-3,000, depending on the model. "So there will be a price increase on the new star-labelled products and the price increase and the GST benefits will offset each other. But the old star-labelled products will have a clear benefit of 8 per cent of GST rate cut," Nandi explained.

From September 22, the GST rate on air-conditioners has been reduced to 18 per cent from 28 per cent.

INCREASE IN SALES

B Thiagarajan, Managing Director, Blue Star, said the companies may see a 10-15 per cent increase in sales in the December quarter year-

on-year, as consumers are likely to buy air-conditioners ahead of the implementation of the new BEE ratings for room air-conditioners.

He added that there is adequate inventory with dealers in the market of old star-rated products.

A recent report released by ICRA noted, "Effective January 2026, the new Star label change, aimed at enhancing efficiency standards, is expected to raise room air-conditioner prices by ₹500-2,500 per unit, which would partly offset the benefit arising from reduction in GST rates. However, it may lead to pre-buying in Q3 FY26 and help the OEMs partly recover the sales lost during the 2025 summer."