

# Consumer Durables & Apparel

India

Sector View: **Cautious**

NIFTY-50: **24,631**

August 17, 2025

## Durables: 1QFY26 review

1QFY26 was an eventful quarter for the durables/electricals space—(1) W&C companies continued to report robust growth/margins, (2) room ACs and ECD (fans/air coolers) reported a sharp decline in sales, impacted by a weak season, (3) margins were under pressure across the board (barring W&C) and (4) multiple companies announced forays into adjacent categories—Voltas forayed into fans, Bajaj into switchgears and V-Guard into lighting. Our sector picks remain Eureka Forbes, Crompton and Whirlpool.

### W&C: Robust growth momentum sustained, with a positive margin surprise

W&C companies (listed universe) reported over 25%/35% yoy revenue/EBIT growth in 1Q, led by volume growth and possibly aided by some upfronting of government capex. Apar/Polycab/KEI led the pack with ~36%/31%/31% revenue growth; volumes grew 25% for Polycab. V-Guard and Finolex underperformed with ~8%/14% sales growth. EBIT margins of Polycab/Havells surprised positively, by expanding 190/130 bps yoy to 14.7%/12.6%, aided by gradual RM inflation (and low volatility). The export outlook remains uncertain, given the US tariff-related headwinds. Some companies acknowledged that channel inventory was slightly elevated at the quarter end.

### ECD: Seasonal categories (air coolers, TPW fans, pumps) decline sharply

Seasonal categories of air coolers, TPW fans and pumps (ex-solar) declined ~47%, ~36%, and ~18% yoy, respectively, in 1Q, given a weak season and a high base. Against this backdrop, ECD companies reported ~7%/33% yoy declines in revenues/EBIT. Polycab outperformed with ~18% growth (led by 2X yoy growth in solar), followed by Eureka Forbes (~10%), whereas V-Guard, Havells, Bajaj, Crompton and Orient reported (-)16%, (-)14%, (-)11%, (-)8% and flat sales, respectively. Bajaj and Orient reported DD decline/LSD growth (favorable base) in fans. On a TTM basis, ECD growth stood at ~28% for Polycab, ~13% for RR, ~11% for Eureka, ~8% for Orient, 5.5% for Havells and 3.2% for Crompton. Bajaj forayed into LV switchgears—it will have outsourced manufacturing and a growth-over-margin focus initially. V-Guard's foray into lighting was after considering the feedback of channel partners.

### White goods: Washout quarter for room ACs

The room AC (RAC) category declined 30-40% yoy in 1Q, impacted by high channel inventory, elevated base and a weak season. Lloyd, Voltas and Blue Star reported (-)34%, (-)25% and (-)13% yoy sales, respectively, in the overall/UCP/UP segments in 1QFY26 and (-)4%, (-)6% and +0.6% yoy growth, respectively, in 1HCY25. Adverse operating leverage and higher promotions (to clear channel inventory) weighed on margins in the space. RAC inventory remains elevated—Voltas (3-4m/2m at company-/channel-level) and Blue Star (1m higher-than-usual); the near-term growth outlook remains challenged. Voltas expects the RAC industry to be flat to (-)10% in FY2026E, whereas Blue Star still expects 10-15% growth. Whirlpool reported a 2.6% yoy fall in sales (+4.9% yoy growth in 1HCY25), but with 1.8% yoy EBIT growth, possibly aided by a cut in A&P spends.

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Umang Mehta  
umang.mehta@kotak.com  
+91-22-4336-0881

Jaykumar Doshi  
jaykumar.doshi@kotak.com  
+91-22-4336-0885

Eesha Mohanty  
eesha.mohanty@kotak.com  
+91-22-4336-0877

Praneeth Reddy  
praneethkumar.reddy@kotak.com  
+91-22-4336-0882

### Apar, Polycab and KEI led the pack on topline growth, whereas Polycab and RR saw the highest EBIT growth

Exhibit 1: Overall revenues and EBIT of consumer durables companies in 1QFY26, March fiscal year-ends (Rs mn, %)

	Revenue (Rs mn, %)					EBIT (Rs mn, %)				
	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)
Apar industries	51,042	40,105	27.3	52,098	(2.0)	4,140	3,445	20.2	4,226	(2.0)
Bajaj Electricals	10,646	11,549	(7.8)	12,655	(15.9)	(38)	435	NA	518	NA
Blue Star	29,823	28,654	4.1	40,190	(25.8)	1,586	2,098	(24.4)	2,440	(35.0)
Crompton	19,983	21,377	(6.5)	20,606	(3.0)	1,759	2,190	(19.7)	2,408	(26.9)
Eureka Forbes	6,079	5,534	9.8	6,127	(0.8)	456	425	7.3	620	(26.4)
Finolex Cables	13,955	12,305	13.4	15,946	(12.5)	1,227	1,161	5.6	1,539	(20.3)
Havells	54,378	57,981	(6.2)	65,322	(16.8)	4,149	4,842	(14.3)	6,527	(36.4)
Hitachi Control	8,526	9,960	(14.4)	9,326	(8.6)	208	400	(48.0)	742	(72.0)
IFB	13,383	12,692	5.4	13,337	0.3	325	518	(37.4)	274	18.5
KEI Industries	25,903	20,605	25.7	29,148	(11.1)	2,381	1,991	19.6	2,819	(15.5)
Orient Electric	7,691	7,549	1.9	8,619	(10.8)	266	225	18.3	451	(40.9)
Polycab	59,060	46,980	25.7	69,858	(15.5)	7,719	5,163	49.5	9,450	(18.3)
RR Kabel	20,586	18,081	13.9	22,178	(7.2)	1,218	787	54.6	1,753	(30.6)
V-Guard	14,661	14,771	(0.7)	15,381	(4.7)	973	1,340	(27.4)	1,163	(16.3)
Voltas	39,386	49,210	(20.0)	47,676	(17.4)	1,601	4,104	(61.0)	3,187	(49.8)
Whirlpool	24,323	24,969	(2.6)	20,047	21.3	1,576	1,548	1.8	1,294	21.8
Symphony	2,510	3,930	(36.1)	3,810	(34.1)	240	850	(71.8)	970	(75.3)
TTK Prestige	6,093	5,879	3.6	6,496	(6.2)	218	373	(41.6)	327	(33.4)

Source: Companies, Kotak Institutional Equities

### Symphony, Voltas and Bajaj saw the highest EBIT margin compression (yoy)

Exhibit 2: EBIT margins of consumer durables companies in 1QFY26, March fiscal year-ends (Rs mn, %)

	EBIT margin (%)				
	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)
<b>Revenue (Rs mn)</b>					
Apar industries	8.1	8.6	(48)bps	8.1	(0)bps
Bajaj Electricals	(0.4)	3.8	(412)bps	4.1	(445)bps
Blue Star	5.3	7.3	(200)bps	6.1	(75)bps
Crompton	8.8	10.2	(144)bps	11.7	(288)bps
Eureka Forbes	7.5	7.7	(18)bps	10.1	(261)bps
Finolex Cables	8.8	9.4	(65)bps	9.6	(86)bps
Havells	7.6	8.4	(72)bps	10.0	(236)bps
Hitachi Control	2.4	4.0	(158)bps	8.0	(552)bps
IFB	2.4	4.1	(166)bps	2.1	37 bps
KEI Industries	9.2	9.7	(47)bps	9.7	(48)bps
Orient Electric	3.5	3.0	48 bps	5.2	(177)bps
Polycab	13.1	11.0	208 bps	13.5	(46)bps
RR Kabel	5.9	4.4	156 bps	7.9	(199)bps
V-Guard	6.6	9.1	(244)bps	7.6	(92)bps
Voltas	4.1	8.3	(428)bps	6.7	(262)bps
Whirlpool	6.5	6.2	28 bps	6.5	2 bps
Symphony	9.6	21.6	(1,207)bps	25.5	(1,590)bps
TTK Prestige	3.6	6.3	(277)bps	5.0	(146)bps

Source: Companies, Kotak Institutional Equities

## W&C sector again stole the show, while it was a washout quarter for white goods and ECD

Exhibit 3: Segment-wise consolidated revenue and EBIT in 1QFY26, March fiscal year-ends (Rs mn, %)

	Revenue (Rs mn, %)					EBIT (Rs mn, %)					EBIT margins (% bps)				
	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)	1QFY26	1QFY25	yoy (bps)	4QFY25	yoy (bps)
<b>Cables and Wires</b>															
Havells	19,332	15,212	27.1	21,694	(10.9)	2,426	1,711	41.8	2,586	(6.2)	12.6	11.2	130 bps	11.9	63 bps
Polycab	52,286	39,956	30.9	60,191	(13.1)	7,683	5,109	50.4	9,090	(15.5)	14.7	12.8	191 bps	15.1	(41)bps
KEI	25,292	19,294	31.1	28,429	(11.0)	2,708	2,078	30.3	3,094	(12.5)	10.7	10.8	(6)bps	10.9	(18)bps
Finolex Cables	13,146	11,509	14.2	14,320	(8.2)	1,187	1,188	(0.1)	1,542	(23.0)	9.0	10.3	(129)bps	10.8	(174)bps
V-Guard	5,247	4,877	7.6	6,661	(21.2)	474	492	(3.7)	769	(38.4)	9.0	10.1	(105)bps	11.5	(252)bps
RR Kabel	18,335	15,782	16.2	19,562	(6.3)	1,391	1,130	23.1	1,941	(28.3)	7.6	7.2	43 bps	9.9	(234)bps
Apar industries	14,194	10,418	36.3	14,103	0.6	1,321	982	34.5	1,360	(2.9)	9.3	9.4	(12)bps	9.6	(34)bps
<b>Total</b>	<b>147,833</b>	<b>117,049</b>	<b>26.3</b>	<b>164,959</b>	<b>(10.4)</b>	<b>17,189</b>	<b>12,689</b>	<b>35.5</b>	<b>20,383</b>	<b>(15.7)</b>	<b>11.6</b>	<b>10.8</b>	<b>79 bps</b>	<b>12.4</b>	<b>(73)bps</b>
<b>Lighting and Fixtures</b>															
Havells	3,735	3,856	(3.1)	4,358	(14.3)	462	630	(26.7)	747	(38.2)	12.4	16.3	(398)bps	17.1	(477)bps
Crompton	2,330	2,333	(0.2)	2,761	(15.6)	296	209	42.0	440	(32.6)	12.7	8.9	377 bps	15.9	(321)bps
Orient Electric	2,241	2,100	6.7	2,476	(9.5)	390	390	(0.1)	308	26.4	17.4	18.6	(118)bps	12.5	494 bps
Bajaj Electricals	2,576	2,498	3.1	2,715	(5.1)	272	261	4.1	212	28.1	10.6	10.5	10 bps	7.8	274 bps
<b>Total</b>	<b>10,882</b>	<b>10,787</b>	<b>0.9</b>	<b>12,309</b>	<b>(11.6)</b>	<b>1,420</b>	<b>1,490</b>	<b>(4.7)</b>	<b>1,707</b>	<b>(16.8)</b>	<b>13.0</b>	<b>13.8</b>	<b>(76)bps</b>	<b>13.9</b>	<b>(82)bps</b>
<b>ECD</b>															
Havells	9,059	10,549	(14.1)	9,959	(9.0)	789	1,147	(31.2)	1,249	(36.8)	8.7	10.9	(216)bps	12.5	(383)bps
Crompton	15,863	17,266	(8.1)	16,029	(1.0)	2,116	2,587	(18.2)	2,675	(20.9)	13.3	15.0	(164)bps	16.7	(335)bps
Polycab	4,542	3,855	17.8	4,760	(4.6)	95	(28)	NA	19	NA	2.1	(0.7)	283 bps	0.4	170 bps
RR Kabel	2,251	2,300	(2.1)	2,616	(14.0)	(71)	(207)	NA	(91)	NA	(3.2)	(9.0)	581 bps	(3.5)	33 bps
V-Guard	3,496	4,176	(16.3)	4,092	(14.6)	(72)	217	NA	139	NA	(2.1)	5.2	(725)bps	3.4	(545)bps
Orient Electric	5,450	5,449	0.0	6,142	(11.3)	369	494	(25.2)	678	(45.5)	6.8	9.1	(229)bps	11.0	(426)bps
Bajaj Electricals	8,070	9,052	(10.8)	9,940	(18.8)	(136)	231	NA	390	NA	(1.7)	2.5	(424)bps	3.9	(561)bps
Symphony	2,560	3,930	(34.9)	3,830	(33.2)	290	850	(65.9)	1,000	(71.0)	11.3	21.6	(1,030)bps	26.1	(1,478)bps
TTK Prestige	6,093	5,879	3.6	6,496	(6.2)	218	373	(41.6)	327	(33.4)	3.6	6.3	(277)bps	5.0	(146)bps
Eureka Forbes	6,079	5,534	9.8	6,127	(0.8)	456	425	7.3	620	(26.4)	7.5	7.7	(18)bps	10.1	(261)bps
<b>Total</b>	<b>63,462</b>	<b>67,989</b>	<b>(6.7)</b>	<b>69,991</b>	<b>(9.3)</b>	<b>4,055</b>	<b>6,089</b>	<b>(33.4)</b>	<b>7,005</b>	<b>(42.1)</b>	<b>6.4</b>	<b>9.0</b>	<b>(257)bps</b>	<b>10.0</b>	<b>(362)bps</b>
<b>White goods</b>															
Lloyd	12,619	19,241	(34.4)	18,700	(32.5)	(197)	674	NA	1,167	NA	(1.6)	3.5	(506)bps	6.2	(780)bps
Whirlpool	24,323	24,969	(2.6)	20,047	21.3	1,576	1,548	1.8	1,294	21.8	6.5	6.2	28 bps	6.5	2 bps
IFB	10,625	10,236	3.8	10,668	(0.4)	215	406	(47.1)	104	107.1	2.0	4.0	(194)bps	1.0	105 bps
Voltas	28,679	38,022	(24.6)	34,584	(17.1)	1,044	3,270	(68.1)	3,448	(69.7)	3.6	8.6	(496)bps	10.0	(633)bps
Blue Star	14,994	17,295	(13.3)	19,602	(23.5)	875	1,580	(44.6)	1,645	(46.8)	5.8	9.1	(330)bps	8.4	(256)bps
Hitachi	8,376	9,823	(14.7)	9,185	(8.8)	236	473	(50.1)	754	NA	2.8	4.8	(200)bps	8.2	(540)bps
<b>Total</b>	<b>99,615</b>	<b>119,586</b>	<b>(16.7)</b>	<b>112,787</b>	<b>(11.7)</b>	<b>3,748</b>	<b>7,951</b>	<b>(52.9)</b>	<b>8,412</b>	<b>(55.4)</b>	<b>3.8</b>	<b>6.6</b>	<b>(289)bps</b>	<b>7.5</b>	<b>(370)bps</b>

Source: Companies, Kotak Institutional Equities

**Exhibit 4: Segmental revenues, EBIT and EBIT margins of W&C companies in 1QFY26, March fiscal year-ends (Rs mn, %)**

	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
<b>Cables and Wires revenue (Rs mn)</b>																	
Finolex Cables	6,450	8,807	9,184	11,288	9,601	10,370	10,937	11,717	11,480	11,250	11,512	13,286	11,509	12,395	11,024	14,320	13,146
Havells	8,072	11,440	12,058	14,881	11,929	13,594	14,121	15,682	14,852	14,702	15,727	17,896	15,212	18,052	16,879	21,694	19,332
KEI	9,322	12,630	14,709	16,825	14,816	14,523	16,891	18,203	16,710	18,346	19,156	21,263	19,294	22,001	24,068	28,429	25,292
Polycab	16,269	26,281	29,988	35,400	24,057	29,517	33,418	40,783	35,338	38,047	39,041	48,647	39,421	47,200	43,846	60,191	52,286
V-Guard	2,520	4,144	4,225	5,073	4,159	4,161	4,364	5,253	4,567	4,623	4,727	5,814	4,877	5,376	4,786	6,661	5,247
RR Kabel					10,870	12,185	13,124	13,407	14,231	14,504	14,331	15,231	15,782	16,118	15,425	19,562	18,335
Apar industries	3,998	4,252	4,862	6,827	6,378	7,616	9,211	9,430	9,668	8,823	9,240	10,858	10,418	12,266	12,661	14,103	14,194
<b>Total</b>	<b>46,631</b>	<b>67,553</b>	<b>75,025</b>	<b>90,294</b>	<b>81,809</b>	<b>91,965</b>	<b>102,067</b>	<b>114,475</b>	<b>106,845</b>	<b>110,294</b>	<b>113,734</b>	<b>132,994</b>	<b>116,513</b>	<b>133,406</b>	<b>128,689</b>	<b>164,959</b>	<b>147,833</b>
<b>Cables and Wires revenue (% yoy)</b>																	
Finolex Cables	79.7	44.5	16.4	29.1	48.8	17.7	19.1	3.8	19.6	8.5	5.3	13.4	0.3	10.2	(4.2)	7.8	14.2
Havells	75.0	45.8	33.2	44.6	47.8	18.8	17.1	5.4	24.5	8.1	11.4	14.1	2.4	22.8	7.3	21.2	27.1
KEI	39.8	39.7	42.7	51.1	58.9	15.0	14.8	8.2	12.8	26.3	13.4	16.8	15.5	19.9	25.6	33.7	31.1
Polycab	97.2	43.9	24.6	39.1	47.9	12.3	11.4	15.2	46.9	28.9	16.8	19.3	11.6	24.1	12.3	23.7	32.6
V-Guard	37.9	46.8	18.7	32.6	65.0	0.4	3.3	3.5	9.8	11.1	8.3	10.7	6.8	16.3	1.2	14.6	7.6
RR Kabel									30.9	19.0	9.2	13.6	10.9	11.1	7.6	28.4	16.2
Apar industries	60.1	66.2	51.2	54.2	59.5	79.1	89.5	38.1	51.6	15.8	0.3	15.2	7.8	39.0	37.0	29.9	36.3
<b>Total</b>	<b>69.9</b>	<b>44.9</b>	<b>29.1</b>	<b>41.4</b>	<b>75.4</b>	<b>36.1</b>	<b>36.0</b>	<b>26.8</b>	<b>30.6</b>	<b>19.9</b>	<b>11.4</b>	<b>16.2</b>	<b>9.0</b>	<b>21.0</b>	<b>13.1</b>	<b>24.0</b>	<b>26.9</b>
<b>Cables and Wires EBIT (Rs mn)</b>																	
Finolex Cables	619	1,110	1,086	1,103	1,064	906	1,355	1,350	1,355	1,426	1,226	1,481	1,188	936	1,175	1,542	1,187
Havells	1,262	1,153	1,256	1,732	875	859	1,628	1,885	1,691	1,707	1,625	2,154	1,711	1,548	1,870	2,586	2,426
KEI	977	1,280	1,396	1,346	1,304	1,306	1,571	1,718	1,446	1,955	2,015	2,271	2,078	2,270	2,402	3,094	2,708
Polycab	1,067	2,305	3,089	4,106	2,773	3,463	4,593	5,896	5,223	5,547	5,474	7,363	4,967	5,793	5,904	9,090	7,683
V-Guard	237	404	334	545	283	212	397	478	290	383	429	724	492	491	429	769	474
RR Kabel					273	793	1,346	1,103	1,246	1,329	1,147	1,320	1,130	818	1,075	1,941	1,391
Apar industries	187	108	79	424	444	638	1,014	1,072	1,019	906	983	1,142	982	1,097	1,156	1,360	1,321
<b>Total</b>	<b>4,348</b>	<b>6,360</b>	<b>7,241</b>	<b>9,256</b>	<b>7,016</b>	<b>8,177</b>	<b>11,904</b>	<b>13,501</b>	<b>12,270</b>	<b>13,253</b>	<b>12,899</b>	<b>16,454</b>	<b>12,547</b>	<b>12,953</b>	<b>14,010</b>	<b>20,383</b>	<b>17,189</b>
<b>Cables and Wires EBIT margin (%)</b>																	
Finolex Cables	9.6	12.6	11.8	9.8	11.1	8.7	12.4	11.5	11.8	12.7	10.7	11.1	10.3	7.6	10.7	10.8	9.0
Havells	15.6	10.1	10.4	11.6	7.3	6.3	11.5	12.0	11.4	11.6	10.3	12.0	11.2	8.6	11.1	11.9	12.6
KEI	10.5	10.1	9.5	8.0	8.8	9.0	9.3	9.4	8.7	10.7	10.5	10.7	10.8	10.3	10.0	10.9	10.7
Polycab	6.6	8.8	10.3	11.6	11.5	11.7	13.7	14.5	14.8	14.6	14.0	15.1	12.6	12.3	13.5	15.1	14.7
V-Guard	9.4	9.7	7.9	10.7	6.8	5.1	9.1	9.1	6.3	8.3	9.1	12.5	10.1	9.1	9.0	11.5	9.0
RR Kabel					2.5	6.5	10.3	8.2	8.8	9.2	8.0	8.7	7.2	5.1	7.0	9.9	7.6
Apar industries	4.7	2.5	1.6	6.2	7.0	8.4	11.0	11.4	10.5	10.3	10.6	10.5	9.4	8.9	9.1	9.6	9.3
<b>Total</b>	<b>9.3</b>	<b>9.4</b>	<b>9.7</b>	<b>10.3</b>	<b>8.6</b>	<b>8.9</b>	<b>11.7</b>	<b>11.8</b>	<b>11.5</b>	<b>12.0</b>	<b>11.3</b>	<b>12.4</b>	<b>10.8</b>	<b>9.7</b>	<b>10.9</b>	<b>12.4</b>	<b>11.6</b>

Source: Companies, Kotak Institutional Equities

## Exhibit 5: Commentary by leading cable and wire companies

Companies		Outlook on demand and margin
Havells	Results	W&C registered 27% yoy growth, led by capacity expansion of cables and strong industrial-infra demand. The total volume growth was 20-21% yoy. Wires growth was marginally ahead of cables, albeit on a soft base. The exports business saw decent growth, led by the expansion of the customer base. The contribution/EBIT margins expanded by 140/130 bps yoy to 16%/12.6%. The company witnessed inventory build-up of wires in 1QFY26 due to upward trends in copper prices.
	Outlook	Management guided for a 14-15% contribution margin.
KEI Industries	Results	Revenues grew by 32.1% yoy in C&W, driven by 24%/47%/22%/122% yoy growth in domestic institutional (ex. EHV)/domestic EHV/distribution/export segments. The volume growth would be 28-30% for the quarter. The major demand drivers in domestic market are power generation (solar and wind), power distribution and transmission, data centres and infrastructure (railways, metros, highways and EV). Even in export markets, they see robust demand in renewables. ~90% of the exports business is direct, whereas 10-15% is via distributors (largely in the US). The company majorly exports cables to Middle East, Australia, Africa and Europe. US exports was small with Rs1.6 bn sales in FY2025. Management believes that EHV cable is ~Rs30 bn market at present and will grow to Rs60 bn in the next 3-5 years. The margin difference between exports and domestic W&C is ~50 bps. The company has a strong distributor network in North and West, and is expanding in East and South India. EPC sales (apart from cables) declined by 53% in 1Q over a high base (EPC turnkey project in Gambia in base) and its mix stood at 2.36% for the quarter.
	Outlook	<b>Order book and capex:</b> Order book of Rs39.2 bn is split across EHV (Rs5.4 bn), domestic cable (Rs21.4 bn), EPC (Rs5.4 bn) and exports (Rs7 bn). The first phase of Sanand greenfield will be commissioned by Sept-25. The second phase will be completed by 1HFY27E (from earlier guidance of end-FY2026E). <b>Revenue and Margins.</b> The company anticipates 18-19% overall revenue growth in FY2026E, led by commissioning of first phase of Sanand plant and strong order book, with EHV sales of Rs5.5-6 bn in FY2026E. KEI will grow at 20%/20-25% CAGR in the overall sales/W&C in the next 2-3 years. The exports are expected to grow to 17-20% mix in the next 2-3 years. The company guided for 10.5-11% EBITDA margin in FY2026E.
Polycab	Results	W&C segment grew 31% yoy to Rs52 bn, led by increased government spending, improved project execution and inflationary trends in commodity prices. The segment registered 25% volume growth in 1Q. The domestic market accounted for ~94% of sales and registered 32% yoy growth in 1Q, with cables growth continuing to outpace wires. The distribution (~90% of the sales) and institutional business both showed healthy traction. The company attributed its market share gains to enhanced manufacturing capacity, the largest set of product approvals and a gradual shift from the unorganized to the organized sector. Export revenues grew 24% yoy on a small base. The US's contribution to export sales during the quarter was one-third (versus high teens/~40% in FY2025/24). EBIT margins expanded 190 bps yoy to 14.7% (~70 bps above our estimate), aided by strategic price adjustments, product mix and operating leverage.
	Outlook	Management anticipates strong tailwinds from infrastructure development, rising private sector investments and a booming real estate market. Increased government expenditure translated to higher cables demand. Additionally, growing investments in AI are fueling the expansion of data centers. Wires' sales will be aided by strong real estate momentum. Demand for extra-high-voltage (EHV) cables remains tender-driven, with revenue contributions expected to commence only from FY2028E for Polycab. Company continues to guide for 11-13% EBITDA margins in the mid-to-long term due to capacity expansion costs and A&P spends.
RR Kabel	Results	Revenue grew by 16% yoy in 1Q, led by 6.5% volume growth (~10% in wires and ~2% in cables). The demand from infrastructure expansion, housing construction and increased electrification efforts remained robust. The domestic revenue grew, led by wire business, while the cables volume declined slightly yoy. The cables demand was soft in April, and picked up in June but revenues got spilled over to 2Q. The volume growth in exports (~30% of sales) was higher than domestic, served primarily to Middle East and Europe. USA contributes ~8-10% to the export sales. The salience of wires to cables stood at 70% and 30%. EBIT margin expanded 45 bps yoy led by effective production planning, supply chain management and efficient operations. Among the margins, export cables/domestic wire have highest margin (12%), followed by domestic cable (6-7%; impacted by under-utilization of facility), and export wire (5-6%). The company has a strong distributor network in North and West, and is expanding in East and South India.
	Outlook	Management anticipates the industry to grow at 13-14%, with wires/cables growing at 10%/ 15-16%. Management continued to guide for 18% volume growth (~10-12% growth in wire and ~25% in cables) and 100 bps improvement in EBITDA margins in FY2026E. The salience of wires to cables after 3 years could be at 60:40.
Apar Industries	Results	Cables revenues grew by 36% yoy in 1Q, led by 70%/19.7% yoy growth in exports/domestic business. The export mix stood at 41.3% (versus 33.2% in 1QFY25) led by 137% yoy sales growth in US in 1Q. Part of the surge in customer orders was driven by the need to meet the 1st August deadline, ahead of anticipated changes in tariffs of the US. In the non-US markets, the company continues to face pricing-led headwinds from the Chinese players. The domestic demand remained robust led by wind energy, solar energy and data centres. EBITDA margins decreased by 30 bps yoy to 10.3% in 1Q, partly due to absorption of tariff impact on some US exports.
	Outlook	The company has guided for 25% sales growth in cables business.
V-guard	Results	Electricals segment, the largest revenue contributor, grew by 7.6% yoy. Wires grew due to inflationary trends of copper prices. Switchgears and switches performed well led by channel corrections.
Finolex cables	Results	Electrical cables/communication cables grew by 16%/(-)8.6% yoy led by 16% volume growth in wires (75-80% mix within electrical cables) and 2x yoy growth in power cables. The volumes were lower yoy for communication cables due to delays in OFC agreements with customers. Management highlighted that wires business saw intense competition. EBIT in electrical cables grew only 1Q yoy as business skewed towards project business (lower margin business).
	Outlook	The company expects pick-up in growth of wires, when the new real estate projects complete (expected 3Q onwards). The company also expects some revenue flow from winners of phase-3 of Bharat Net program.

Source: Companies, Kotak Institutional Equities

**Exhibit 6: Segmental revenues, EBIT and EBIT margins of ECD companies, March fiscal year-ends (Rs mn, %)**

	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
<b>ECD revenue (Rs mn)</b>																	
Bajaj Electricals	6,173	9,051	10,802	10,377	8,554	8,829	10,395	9,865	8,726	8,576	9,567	9,171	9,052	8,683	10,385	9,940	8,070
Crompton	8,844	10,964	10,993	12,309	13,472	10,622	10,201	13,257	14,290	12,380	12,093	15,160	17,266	13,927	12,878	16,029	15,863
Havells	5,760	7,284	8,926	8,698	8,381	7,735	9,348	7,495	8,770	7,331	9,613	9,104	10,549	8,564	11,043	9,959	9,059
Orient Electric	3,241	4,198	4,813	5,741	4,453	3,100	5,388	4,577	5,150	3,634	5,352	5,691	5,449	4,395	5,743	6,142	5,450
Polycab	1,919	3,429	3,404	3,792	3,082	3,054	3,420	3,052	3,145	3,300	2,962	3,581	3,855	3,975	4,232	4,760	4,542
RR kabel						1,488	1,712	1,785	1,851	1,598	2,005	2,310	2,300	1,984	2,396	2,616	2,251
V-Guard	1,497	2,794	3,384	2,959	2,991	3,372	3,537	2,862	3,312	3,547	3,928	3,657	4,176	3,923	4,248	4,092	3,496
Symphony	2,310	2,220	2,050	3,950	3,370	2,770	2,800	3,080	3,040	2,760	2,530	3,340	3,930	3,210	2,400	3,830	2,560
TTK Prestige	4,011	8,586	7,653	6,975	6,291	8,424	6,948	6,110	5,876	7,295	7,384	6,226	5,879	7,501	7,272	6,496	6,093
Eureka Forbes	10	31	34	3,742	5,262	5,762	4,735	5,086	5,048	5,914	5,394	5,536	5,534	6,731	5,977	6,127	6,079
<b>Total</b>	<b>33,764</b>	<b>48,557</b>	<b>52,058</b>	<b>58,543</b>	<b>55,855</b>	<b>55,155</b>	<b>58,483</b>	<b>57,168</b>	<b>59,209</b>	<b>56,334</b>	<b>60,827</b>	<b>63,775</b>	<b>67,989</b>	<b>62,893</b>	<b>66,573</b>	<b>69,991</b>	<b>63,462</b>
<b>ECD revenue (% yoy)</b>																	
Bajaj Electricals	56.5	5.2	(6.3)	6.8	38.6	(2.5)	(3.8)	(4.9)	2.0	(2.9)	(8.0)	(7.0)	3.7	1.2	8.5	8.4	(10.8)
Crompton	48.3	17.7	6.1	3.2	52.3	(3.1)	(7.2)	7.7	6.1	16.5	18.5	14.3	20.8	12.5	6.5	5.7	(8.1)
Havells	90.9	25.6	14.0	22.1	45.5	6.2	4.7	(13.8)	4.6	(5.2)	2.8	21.5	20.3	16.8	14.9	9.4	(14.1)
Orient Electric	213.2	37.9	4.5	(11.1)	37.4	(26.1)	11.9	(20.3)	15.6	17.2	(0.7)	24.3	5.8	20.9	7.3	7.9	0.0
Polycab	39.2	40.6	11.4	9.3	60.6	(11.0)	0.5	(19.5)	2.1	8.1	(13.4)	17.3	22.6	20.5	42.9	32.9	17.8
RR kabel										7.4	17.1	29.4	24.2	24.1	19.5	13.3	(2.1)
V-Guard	75.1	71.0	28.1	32.3	99.8	20.7	4.5	(3.3)	10.7	5.2	11.1	27.8	26.1	10.6	8.1	11.9	(16.3)
Symphony	49.0	15.0	(5.1)	16.2	45.9	24.8	36.6	(22.0)	(9.8)	(0.4)	(9.6)	8.4	29.3	16.3	(5.1)	14.7	(34.9)
TTK Prestige	77.0	34.9	5.5	16.6	56.8	(1.9)	(9.2)	(12.4)	(6.6)	(13.4)	6.3	1.9	0.1	2.8	(1.5)	4.3	3.6
Eureka Forbes			16.1					35.9	(4.1)	2.6	13.9	8.8	9.6	13.8	10.8	10.7	9.8
<b>Total</b>	<b>68.7</b>	<b>24.1</b>	<b>5.2</b>	<b>16.4</b>	<b>65.4</b>	<b>13.6</b>	<b>12.3</b>	<b>(2.3)</b>	<b>6.0</b>	<b>2.1</b>	<b>4.0</b>	<b>11.6</b>	<b>14.8</b>	<b>11.6</b>	<b>9.4</b>	<b>9.7</b>	<b>(6.7)</b>
<b>ECD EBIT (Rs mn)</b>																	
Bajaj Electricals	60	910	973	638	425	620	777	650	407	414	159	164	231	89	520	390	(136)
Crompton	1,558	2,300	2,130	2,279	2,285	1,814	1,617	2,177	1,816	1,755	1,642	2,533	2,587	2,064	1,957	2,675	2,116
Havells	673	1,264	1,138	1,501	1,098	901	1,228	962	957	848	1,062	1,025	1,147	643	955	1,249	789
Orient Electric	227	516	534	736	372	137	645	445	492	297	603	465	494	389	643	678	369
Polycab	(143)	172	63	105	64	(27)	(24)	(70)	(57)	(60)	(366)	(459)	(28)	(252)	(128)	19	95
RR kabel	-	-	-	-	-	(240)	(347)	(148)	(170)	(198)	(124)	(194)	(207)	(117)	(44)	(91)	(71)
V-Guard	(59)	85	96	50	38	97	(45)	(11)	9	(1)	117	129	217	161	177	139	(72)
Symphony	50	350	250	860	360	340	400	170	190	350	450	520	850	640	210	1,000	290
TTK Prestige	337	1,324	1,178	978	680	1,060	673	642	459	649	679	606	373	552	619	327	218
Eureka Forbes	(2)	1	(17)	109	325	(86)	250	397	371	389	294	393	425	590	441	620	456
<b>Total</b>	<b>2,701</b>	<b>6,920</b>	<b>6,344</b>	<b>7,256</b>	<b>5,648</b>	<b>4,616</b>	<b>5,174</b>	<b>5,213</b>	<b>4,474</b>	<b>4,443</b>	<b>4,515</b>	<b>5,181</b>	<b>6,089</b>	<b>4,757</b>	<b>5,349</b>	<b>7,005</b>	<b>4,055</b>
<b>ECD EBIT margin (%)</b>																	
Bajaj Electricals	1.0	10.1	9.0	6.2	5.0	7.0	7.5	6.6	4.7	4.8	1.7	1.8	2.5	1.0	5.0	3.9	(1.7)
Crompton	17.6	21.0	19.4	18.5	17.0	17.1	15.8	16.4	12.7	14.2	13.6	16.7	15.0	14.8	15.2	16.7	13.3
Havells	11.7	17.3	12.7	17.3	13.1	11.6	13.1	12.8	10.9	11.6	11.0	11.3	10.9	7.5	8.6	12.5	8.7
Orient Electric	7.0	12.3	11.1	12.8	8.3	4.4	12.0	9.7	9.5	8.2	11.3	8.2	9.1	8.8	11.2	11.0	6.8
Polycab	(7.5)	5.0	1.8	2.8	2.1	(0.9)	(0.7)	(2.3)	(1.8)	(1.8)	(12.4)	(12.8)	(0.7)	(6.4)	(3.0)	0.4	2.1
RR kabel						(16.2)	(20.3)	(8.3)	(9.2)	(12.4)	(6.2)	(8.4)	(9.0)	(5.9)	(1.8)	(3.5)	(3.2)
V-Guard	(3.9)	3.0	2.8	1.7	1.3	2.9	(1.3)	(0.4)	0.3	(0.0)	3.0	3.5	5.2	4.1	4.2	3.4	(2.1)
Symphony	2.2	15.8	12.2	21.8	10.7	12.3	14.3	5.5	6.3	12.7	17.8	15.6	21.6	19.9	8.8	26.1	11.3
TTK Prestige	8.4	15.4	15.4	14.0	10.8	12.6	9.7	10.5	7.8	8.9	9.2	9.7	6.3	7.4	8.5	5.0	3.6
Eureka Forbes	(15.3)	1.8	(49.5)	2.9	6.2	(1.5)	5.3	7.8	7.3	6.6	5.4	7.1	7.7	8.8	7.4	10.1	7.5
<b>Total</b>	<b>8.0</b>	<b>14.3</b>	<b>12.2</b>	<b>12.4</b>	<b>10.1</b>	<b>8.4</b>	<b>8.8</b>	<b>9.1</b>	<b>7.6</b>	<b>7.9</b>	<b>7.4</b>	<b>8.1</b>	<b>9.0</b>	<b>7.6</b>	<b>8.0</b>	<b>10.0</b>	<b>6.4</b>

Notes: Key products in this category are as follows:

- (a) Bajaj Electricals: Fans, lighting, home and kitchen appliances
- (b) Crompton: Fans, pumps and other appliances
- (c) Orient Electric: Fans and switchgears (very small portion)
- (d) Polycab: Fans, LED lighting, solar products, pumps and switchgears
- (e) V-Guard: Fans, water heaters and small appliances
- (f) Symphony: Primarily air coolers and heaters; the company divested its Mexico and Australia subsidiaries
- (g) TTK Prestige: Kitchen appliances
- (h) Eureka Forbes: Water purifiers, vacuum cleaners and services

Source: Companies, Kotak Institutional Equities

## Exhibit 7: Commentary by leading ECD companies

Results	
Bajaj Electricals	Consumer products declined 10.8% yoy, due to weak summers. Fans saw DD decline (industry declined in DD as well, as per management), while air coolers declined by 45%. Water heaters and kitchen appliances saw DD growth. Within fans, TPW fans got impacted significantly more than ceiling fans. The company has not taken any discounts or increased trade commissions. The company claims to be #2 in air coolers. EBIT came negative at Rs136 mn, while EBIT margin contracted by 424 bps to 1.7%, due to adverse operating leverage.
Crompton	ECD reported an 8.1% yoy decline, adversely impacted by erratic rainfall, outperforming the broader industry that saw an 11% decline. Fans demand remained muted in 1Q, primarily due to a decline in TPW fans, in line with industry trends. Crompton, however, saw a relatively lower decline in ceiling fans. The demand for industrial fans, air circulators, heavy-duty exhausts and premium offerings such as BLDC and super-premium induction fans remained strong. The residential and agricultural pumps faced headwinds, primarily due to unseasonal rainfall and delays in government initiatives. In contrast, the solar pump segment delivered strong performance, growing 2X yoy, while the broader industry remained flat. SDA delivered DD growth led by mixer-grinders, dry irons and induction cooktops. The built-in kitchen appliances category registered Rs150 mn in revenues in 1Q, driven by cooktops. EBIT declined 18%/21% yoy/qoq, while EBIT margins contracted 164 bps yoy to 13.3%.
Eureka Forbes	Consolidated revenues grew 9.8% yoy to Rs6.1 bn amid muted consumer demand. EFL products experienced indirect pressure due to a slowdown in cooling product sales, which resulted in elevated inventory levels across the channel. The products business grew in DD by volume and value (versus high teens growth in 4Q). Water purifier witnessed 10%+ value and volume growth, led by demand from both premium and economy segments. Vacuum cleaners' growth was led by 52% yoy growth in robotics. Service business (~30% of the sales) saw a turnaround with DD growth in service bookings, driven by volume and ASP. EBITDA margin (ex-ESOP) contracted by 70 bps yoy to 11%, driving ~3.3% yoy growth in EBITDA to Rs671 mn. The gains from operating leverage (183 bps) were offset by higher service charges (87 bps) and growth spends (67 bps).
Havells	ECD revenues declined 14.1% yoy due to lower sales of fans and air coolers, impacted by a weak summer. The decline in air cooler sales was steeper (akin to RACs) than that of fans. The contribution/EBIT margins contracted 50/216 bps yoy to 23.6%/8.7%. Management highlighted that contribution margins of each category within this segment have improved over the quarters, primarily led by premiumization and operating leverage. The company also believes it has either maintained or gained market share, supported by an expanded distribution network.
Orient Electric	ECD segment registered flat revenues. Fans grew in LSD due to weak summer. Management stated they have gained market share in fans, driven by DTM initiatives, NPD, premiumization and DD growth in alternate channels. Premium products contribute ~30-35% to fans sales, with BLDC fans (~20% of ceiling fans' revenue) growing by 50%+ yoy. Water heaters grew in DD, led by new launches, channel optimization and product mix. The company took price hikes in fans in April, which was then diluted during the quarter due to heightened competition. The company successfully implemented DTM strategy in 11 states. ECD EBIT margin contracted by 240/425 bps yoy/qoq to 6.8%, due to higher A&P (5.5% of sales; invested in brand building during IPL for BLDC fans). Air coolers declined by 40% in 1Q.
Polycab	FMEG's revenues grew 18% yoy (down 4.6% qoq). The performance was broad-based across major product categories. Solar products emerged as the leading category (over 2X yoy growth, led by Surya Ghar Yojana, state-level subsidies and increasing awareness of renewable energy) in the FMEG portfolio, while other categories contributed equally to sales. The market share for categories, excluding solar products, is ~2-5%. The fans segment experienced subdued performance, due to weak summer. The lights and luminaires category registered robust growth, fueled by consistent demand from the real estate sector. Switchgears, switches, conduit pipes and fittings delivered healthy growth, driven by real estate. The segment registered its second consecutive positive EBIT of Rs95 mn, led by portfolio-wide gross margin expansion, premiumization and operating leverage.
V-Guard	Consumer durables revenues declined by 16.3% yoy (fans, water heaters, kitchen appliances and air coolers) due to weak summers and high base. Southern and Eastern regions where the company has greater presence was relatively more impacted by weak summers. Geographically, the Non-South region grew by 2.1%, while south regions declined by 3.3% yoy. Air coolers and fans particularly TPW were impacted in 1Q. Company stated that within fans, the salience for ceiling fans to TPW is 70:30 pan India, which is 60:40 in the southern India. EBIT loss stood at Rs72 mn, due to adverse operating leverage and a large decline in air coolers (higher margin product), higher A&P spends on fans and air coolers. Sunflame declined by 5.4% yoy in 1Q. The CSD channel continued to face structural challenges due to overstocking, while GT performed well.
Symphony	Consolidated revenues declined by 36% yoy due to weak summers over high base. The channel inventory remains high. Among geographies, South was the worst hit. The all season category consisting of tower and kitchen cooling fans, large space ventilated cooling fans and storage water heaters contributes ~25% of the sales and is growing well. BLDC products' prices are sold at 10-15% premium to non-BLDC products. EBIT margins contracted by 10 ppts yoy to 11.3%.
TTK Prestige	Standalone revenues grew by 3.6% yoy, due to 4.7%/(-)10.3% yoy growth in domestic/export business. The decline in exports were attributed to loss of sales due to logistical constraints and trade tariff uncertainties. The trade channel (general trade, exclusive stores, e-commerce and modern formats) performed well, while alternate channel like institutional and MFI continued to be under pressure in the last few quarters. The repositioning of 'Judge' brand as mass market products has led to DD growth. General trade and Xclusive stores grew 6% yoy, while modern trade and e-commerce together registered DD growth. The company has been steadily consolidating and improving its market share in the active channels. Gross margin improved led by product mix and stable commodity prices. EBIT declined by 42% after strategy expenses of Rs177 mn.
RR Kabel	FMEG declined by 2.1% yoy, due to subdued demand for fans amid weak summers. Within this segment, fans/lighting/appliances and switchgears mix stood at ~50%/30%/10%/10%. Within fans, 20% of sales came from premium. FMEG EBIT loss stood at Rs71 mn (versus Rs207 mn in 1QFY25), led by cost-efficiencies initiatives, operating leverage, and better product mix.
Butterfly	This segment registered a 0.8% yoy growth in 1Q (versus 10.8% yoy growth in 4Q), amid muted consumer demand. Mixer grinders, gas stoves and cookers showed growth, reflecting improved traction across channels. The company gained market share across core categories, driven by execution and channel recovery. The EBIT grew 84% to Rs76 mn, while the EBIT margin expanded by 190 bps to 4.2%.
Elica (Whirlpool)	Elica revenues grew 1.5% yoy to Rs1.1 bn. Elica's EBITDA declined 7% yoy due to a 14% yoy increase in employee expenses. Elica's EBITDA margin contracted 130 bps yoy to 14.3%.

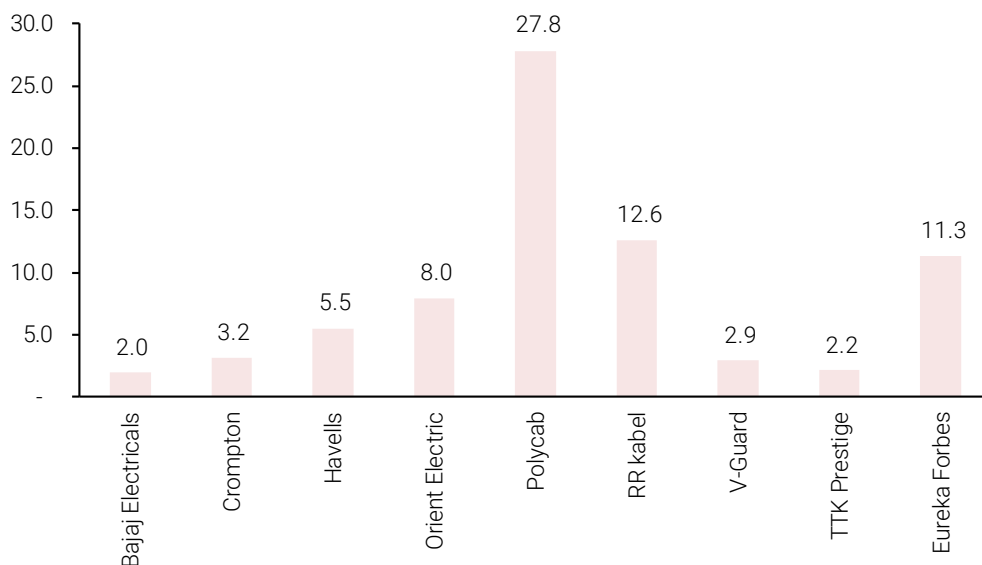
Source: Companies, Kotak Institutional Equities

## Exhibit 8: Outlook for ECD companies

Outlook	
Bajaj Electricals	Management noted that the cooler advanced billings in July started off well, which indicated that channel inventory was not unusually high. Given weak 1Q, management refrained to give an outlook for the full year.
Crompton	Without giving a growth guidance, Crompton noted some green shoots in demand. The company has a strong order book in solar pumps.
Eureka Forbes	Management expects the service bookings to grow in DD in coming quarters. Management expects the benefits from these initiatives to flow from 4Q onwards as service revenue is amortized, while the associated cost is incurred upfront. GM is expected to remain range-bound. Management has guided for EBITDA margin expansion in FY2026E, led by cost efficiencies/operating leverage. The company will continue to invest in A&P. Service charges might not see much operating leverage.
Polycab	Management continues to guide for (1) 1.5-2X of market growth and (2) 8-10% EBITDA margin by FY2030E.
Orient electric	The company anticipates better consumer demand during festive season. The company continues to aspire DD EBITDA margin. The company will continue to invest 4-5% of the sales in marketing.
Symphony	The channel inventory will only get normalized once tertiary sales begins closer to next summer.
TTK Prestige	The company is witnessing growth across categories. The operating EBITDA margins will be impacted over the next 8 quarters as the company is investing Rs2 bn (Rs5 bn including capex) over the next 3 years.
V-Guard	The company expects the demand to normalize in the coming quarters.
RR Kabel	The company guided for a 20-25% growth and EBIT break-even for FMEG in FY2026E.
Butterfly	The company aspires for DD growth and margin of 8-8.5% in FY2026E.

Source: Companies, Kotak Institutional Equities

## Exhibit 9: TTM sales growth of ECD companies, March fiscal year-ends (Rs mn, %)



Source: Company, Kotak Institutional Equities



## Orient continues to report impressive outperformance in lighting

### Exhibit 10: Segmental revenues, EBIT and EBIT margins of lighting companies in 1QFY26, March fiscal year-ends (Rs mn, %)

	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
<b>Lighting and Fixtures revenue (Rs mn)</b>																	
Crompton	1,661	2,887	3,113	3,170	2,623	2,696	2,477	2,786	2,290	2,387	2,494	2,811	2,333	2,531	2,577	2,761	2,330
Havells	2,099	3,536	4,080	3,994	3,711	3,970	4,201	4,134	3,670	3,965	4,299	4,334	3,856	3,909	4,409	4,358	3,735
Orient Electric	982	1,746	1,971	1,792	1,763	2,006	2,003	2,003	1,906	2,035	2,167	2,186	2,100	2,206	2,425	2,476	2,241
Bajaj electricals	nm	2,864	27,633	3,023	2,787	2,757	2,700	3,054	2,395	2,553	2,716	2,710	2,498	2,501	2,513	2,715	2,576
<b>Total</b>	<b>4,742</b>	<b>11,033</b>	<b>36,797</b>	<b>11,979</b>	<b>10,884</b>	<b>11,429</b>	<b>11,380</b>	<b>11,976</b>	<b>10,261</b>	<b>10,939</b>	<b>11,676</b>	<b>12,041</b>	<b>10,787</b>	<b>11,147</b>	<b>11,924</b>	<b>12,309</b>	<b>10,882</b>
<b>Lighting and Fixtures revenue growth (% yoy)</b>																	
Crompton	34.4	2.6	(0.3)	(3.7)	57.9	(6.6)	(20.4)	(12.1)	(12.7)	(11.5)	0.7	0.9	1.9	6.0	3.4	(1.8)	(0.2)
Havells	52.1	33.6	15.5	21.5	76.8	12.3	3.0	3.5	(1.1)	(0.1)	2.3	4.8	5.1	(1.4)	2.5	0.5	(3.1)
Orient Electric	30.5	34.9	24.8	14.8	79.5	14.9	1.6	11.8	8.1	1.4	8.2	9.1	10.2	8.4	11.9	13.3	6.7
Bajaj electricals						(3.7)	(90.2)	1.0	(14.1)	(7.4)	0.6	(11.3)	4.3	(2.0)	(7.5)	0.2	3.1
<b>Total</b>	<b>40.8</b>	<b>63.3</b>	<b>346.9</b>	<b>47.2</b>	<b>129.5</b>	<b>3.6</b>	<b>(69.1)</b>	<b>(0.0)</b>	<b>(5.7)</b>	<b>(4.3)</b>	<b>2.6</b>	<b>0.5</b>	<b>5.1</b>	<b>1.9</b>	<b>2.1</b>	<b>2.2</b>	<b>0.9</b>
<b>Lighting and Fixtures EBIT (Rs mn)</b>																	
Crompton	177	329	324	448	232	215	255	303	273	250	280	251	209	271	278	440	296
Havells	317	773	869	617	611	570	534	754	529	569	605	787	630	505	655	747	462
Orient Electric	103	276	289	281	232	227	311	391	307	269	307	281	390	300	322	308	390
Bajaj electricals		180	103	275	215	258	174	226	193	144	227	231	261	149	53	212	272
<b>Total</b>	<b>598</b>	<b>1,558</b>	<b>1,586</b>	<b>1,620</b>	<b>1,290</b>	<b>1,271</b>	<b>1,274</b>	<b>1,674</b>	<b>1,302</b>	<b>1,232</b>	<b>1,419</b>	<b>1,550</b>	<b>1,490</b>	<b>1,224</b>	<b>1,307</b>	<b>1,707</b>	<b>1,420</b>
<b>Lighting and Fixtures EBIT margin (%)</b>																	
Crompton	10.7	11.4	10.4	14.1	8.8	8.0	10.3	10.9	11.9	10.5	11.2	8.9	8.9	10.7	10.8	15.9	12.7
Havells	15.1	21.9	21.3	15.4	16.5	14.4	12.7	18.2	14.4	14.4	14.1	18.2	16.3	12.9	14.8	17.1	12.4
Orient Electric	10.5	15.8	14.7	15.7	13.2	11.3	15.6	19.5	16.1	13.2	14.2	12.8	18.6	13.6	13.3	12.5	17.4
Bajaj electricals		6.3	0.4	9.1	7.7	9.3	6.4	7.4	8.1	5.6	8.4	8.5	10.5	6.0	2.1	7.8	10.6
<b>Total</b>	<b>12.6</b>	<b>14.1</b>	<b>4.3</b>	<b>13.5</b>	<b>11.9</b>	<b>11.1</b>	<b>11.2</b>	<b>14.0</b>	<b>12.7</b>	<b>11.3</b>	<b>12.2</b>	<b>12.9</b>	<b>13.8</b>	<b>11.0</b>	<b>11.0</b>	<b>13.9</b>	<b>13.0</b>

Source: Companies, Kotak Institutional Equities

### Exhibit 11: Commentary by leading lighting companies

<b>Results</b>	
Crompton	Lighting registered 0.2% yoy decline in 1Q, amid price erosion. The company achieved DD volume growth in B2B lighting, led by the commercial, flood and high mast & poles categories. Moreover, the company secured several large orders in the industrial segment. LED panels contributed the highest in the B2C segment. Within the B2C segment, the outdoor and decorative lighting gained traction. The salience of premium categories improved to 25.1%. The EBIT margin expanded 380 bps to 12.7%, led by a better product mix and operational efficiencies.
Havells	Lighting segment declined 3.1% yoy due to a ~10% yoy LED price deflation. The EBIT margins contracted by 400/477 bps yoy/qoq to 12.4%.
Orient Electric	This segment reported 6.7% yoy in 1Q, led by HSD/DD in value/volume growth in consumer lighting. The growth was driven by NPDs and distribution expansion leading to market share gains amid price erosion. The premium category contributes ~55% (industry leading) in B2C lighting. The company took price hike in 1Q to pass on the regulatory cost related to RoHS compliance effective from 1st April 2025. B2B lighting grew, despite delay in execution of some projects. Emerging categories like switchgears and wires grew in HDD. EBIT margin contracted by 118 bps yoy (up 490 bps qoq) at 17.4%, led by NPD and premiumization.
Bajaj electricals	Revenue grew 3.1% yoy, led by DD growth in consumer lighting in GT and growth in professional lighting. The share of high margin and value-creative products like ceiling and outdoor lights increased. Premium lighting mix now is at ~30% versus 14% earlier. The industry continued to face price erosion challenges. B2B lighting gained traction. MFI channel (in lighting) continued to remain under pressure; excluding this channel, Bajaj's lighting sales have grown in DD. EBIT margins expanded by 10 bps yoy to 10.6%. The B2B lighting order book stands at Rs 2.1 bn as of June 2025.
V-Guard	The company has forayed into consumer lighting, which will be outsourced initially and will have 95% overlap with wire retailers.
<b>Outlook</b>	
Bajaj electricals	The pricing erosion in lighting business will continue for the next 2-3 quarters. The company anticipates good growth from B2B. The company forayed onto LV switchgears which could contribute ~10-15% of lighting revenues in future. SG category would be margin neutral initially as Bajaj will look to gain market share.
Havells	The company anticipates growth in this segment, supported by a sequential stabilization in LED prices.

Source: Companies, Kotak Institutional Equities

**Exhibit 12: Segmental revenues, EBIT and EBIT margins of large appliances segment in 1QFY26, March fiscal year-ends**

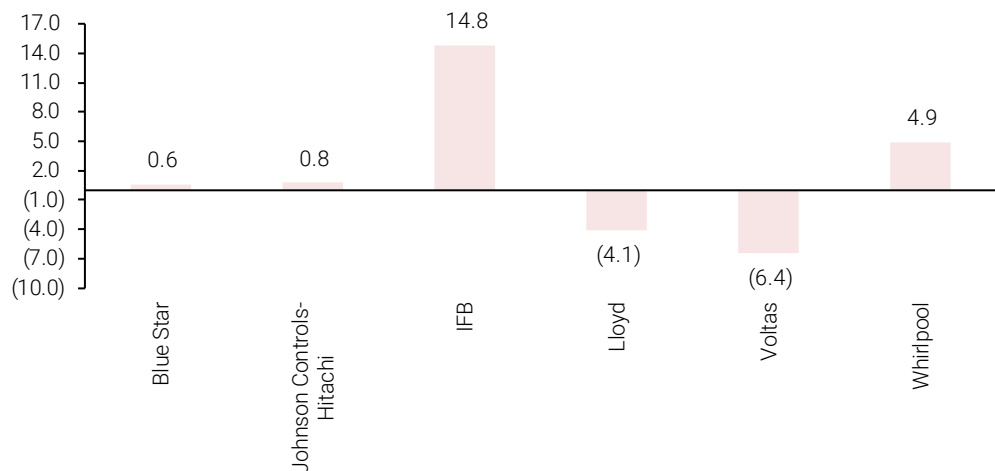
	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
<b>Large appliances revenue (Rs mn)</b>																	
Blue Star	5,054	4,547	6,097	10,367	11,242	5,248	7,050	12,677	11,985	7,295	9,554	17,089	17,295	7,670	11,644	19,602	14,994
Johnson Controls-Hitachi	4,813	3,886	5,642	6,849	9,981	2,961	5,093	5,365	5,560	2,654	2,872	7,604	9,823	3,830	4,185	9,185	8,376
IFB	4,331	8,081	7,647	6,943	8,621	8,884	7,719	7,923	8,633	8,636	9,139	8,310	10,236	9,521	10,178	10,668	10,625
Lloyd	4,944	3,413	4,657	9,592	10,837	4,141	6,068	12,640	13,055	4,930	6,467	13,401	19,241	5,874	7,418	18,700	12,619
Voltas	9,631	10,068	10,936	18,184	21,622	10,477	12,160	20,486	25,140	12,088	14,826	29,551	38,022	15,822	17,711	34,584	28,679
Whirlpool	13,406	16,071	15,420	17,069	20,810	16,115	13,025	16,727	20,386	15,216	15,357	17,340	24,969	17,130	17,049	20,047	24,323
<b>Total</b>	<b>42,178</b>	<b>46,067</b>	<b>50,398</b>	<b>69,004</b>	<b>83,113</b>	<b>47,826</b>	<b>51,114</b>	<b>75,817</b>	<b>84,758</b>	<b>50,818</b>	<b>58,214</b>	<b>93,295</b>	<b>119,586</b>	<b>59,847</b>	<b>68,183</b>	<b>112,787</b>	<b>99,615</b>
<b>Large appliances revenue (% yoy)</b>																	
Blue Star	83.9	42.7	23.7	32.6	122.5	15.4	15.6	22.3	6.6	39.0	35.5	34.8	44.3	5.1	21.9	14.7	(13.3)
Johnson Controls-Hitachi	87.4	32.1	18.3	20.8	107.4	(23.8)	(9.7)	(21.7)	(44.3)	(10.4)	(43.6)	41.7	76.7	44.3	45.7	20.8	(14.7)
IFB	73.0	37.3	(0.4)	8.8	99.1	9.9	0.9	14.1	0.1	(2.8)	18.4	4.9	18.6	10.2	11.4	28.4	3.8
Lloyd	61.5	21.7	(9.0)	62.4	119.2	21.3	30.3	31.8	20.5	19.1	6.6	6.0	47.4	19.2	14.7	39.5	(34.4)
Voltas	18.7	34.3	9.1	9.9	124.5	4.1	11.2	12.7	16.3	15.4	21.9	44.2	51.2	30.9	19.5	17.0	(24.6)
Whirlpool	30.5	0.5	3.2	(4.1)	55.2	0.3	(15.5)	(2.0)	(2.0)	(5.6)	17.9	3.7	22.5	12.6	11.0	15.6	(2.6)
<b>Total</b>	<b>44.1</b>	<b>20.2</b>	<b>6.2</b>	<b>14.8</b>	<b>97.1</b>	<b>3.8</b>	<b>1.4</b>	<b>9.9</b>	<b>2.0</b>	<b>6.3</b>	<b>13.9</b>	<b>23.1</b>	<b>41.1</b>	<b>17.8</b>	<b>17.1</b>	<b>20.9</b>	<b>(16.7)</b>
<b>Large appliances EBIT (Rs mn)</b>																	
Blue Star	218	233	388	721	911	324	518	1,070	893	616	679	1,414	1,580	539	948	1,645	875
Johnson Controls-Hitachi	(132)	(120)	26	226	(29)	(724)	(204)	49	(517)	(603)	(197)	663	473	(403)	(46)	754	236
IFB	(496)	436	39	(385)	96	375	(56)	(13)	72	334	359	46	406	266	341	104	215
Lloyd	103	(183)	(418)	(213)	(559)	(833)	(596)	(221)	(608)	(733)	(660)	372	674	(224)	(310)	1,167	(197)
Voltas	1,180	1,017	1,017	1,919	1,662	765	895	2,057	2,073	928	1,229	2,704	3,270	1,162	1,043	3,448	1,044
Whirlpool	224	968	450	1,040	851	474	(9)	533	712	240	153	822	1,548	351	179	1,294	1,576
<b>Total</b>	<b>1,096</b>	<b>2,351</b>	<b>1,502</b>	<b>3,309</b>	<b>2,932</b>	<b>381</b>	<b>549</b>	<b>3,474</b>	<b>2,626</b>	<b>781</b>	<b>1,562</b>	<b>6,021</b>	<b>7,951</b>	<b>1,693</b>	<b>2,155</b>	<b>8,412</b>	<b>3,748</b>
<b>Large appliances EBIT margin (%)</b>																	
Blue Star	4.3	5.1	6.4	7.0	8.1	6.2	7.4	8.4	7.5	8.4	7.1	8.3	9.1	7.0	8.1	8.4	5.8
Johnson Controls-Hitachi	(2.7)	(3.1)	0.5	3.3	(0.3)	(24.5)	(4.0)	0.9	(9.3)	(22.7)	(6.9)	8.7	4.8	(10.5)	(1.1)	8.2	2.8
IFB	(11.5)	5.4	0.5	(5.5)	1.1	4.2	(0.7)	(0.2)	0.8	3.9	3.9	0.6	4.0	2.8	3.3	1.0	2.0
Lloyd	2.1	(5.4)	(9.0)	(2.2)	(5.2)	(20.1)	(9.8)	(1.7)	(4.7)	(14.9)	(10.2)	2.8	3.5	(3.8)	(4.2)	6.2	(1.6)
Voltas	12.3	10.1	9.3	10.6	7.7	7.3	7.4	10.0	8.2	7.7	8.3	9.2	8.6	7.3	5.9	10.0	3.6
Whirlpool	1.7	6.0	2.9	6.1	4.1	2.9	(0.1)	3.2	3.5	1.6	1.0	4.7	6.2	2.1	1.0	6.5	6.5
<b>Total</b>	<b>2.6</b>	<b>5.1</b>	<b>3.0</b>	<b>4.8</b>	<b>3.5</b>	<b>0.8</b>	<b>1.1</b>	<b>4.6</b>	<b>3.1</b>	<b>1.5</b>	<b>2.7</b>	<b>6.5</b>	<b>6.6</b>	<b>2.8</b>	<b>3.2</b>	<b>7.5</b>	<b>3.8</b>

Source: Companies, Kotak Institutional Equities

**Exhibit 13: Commentary by leading large appliance companies**

Results	
Blue Star	The unitary products segment registered a 13.3% decline yoy in 1Q due to weak summers over high base of RAC. According to management, the RAC industry would have declined by 30%+ in 1Q. The company (including its channel) has 1 month of additional inventory, while the normal inventory usually ranges in 30-45 days. Blue Star's market share rose by 20 bps to 14.2%. <b>Commercial refrigeration</b> which was impacted by the regulatory changes in 1HFY25 saw strong growth in 1QFY26. The demand is driven by pharma, processed foods manufacturer, logistics and quick commerce (~10% contribution to CR sales). <b>EBIT margins</b> contracted by 330 bps to 5.8%, due to higher marketing spends and adverse operating leverage amid volume decline.
Lloyd	Lloyd registered 34.4% revenue decline due to a weak summer. The sales remained flat over 1HCY25. The company believes it currently holds the #3 position in the RAC segment. However, both channel and company-level inventories remain elevated. The contribution/EBIT margin contracted 210/500 bps yoy to 11.1%/(-)1.6%.
Voltas	UCP segment registered 25%/17% yoy/qoq declines in revenues on a high base due to weak summers. Voltas proactively built up a robust inventory in anticipation of a strong summer season, similar to last year. Voltas commented that the inventory at the company and channel level stood at 3-4 months and 2 months, respectively. Despite the season turning out weaker than expected, with the industry witnessing a sharp 35-40% yoy decline in 1Q, Voltas retained its leadership position in the split and window AC segments, maintaining a 400 bps lead over #2 player. Voltas has reported YTD June market share of 17.8% versus 19.5% during the same period last year, reflecting heightened competitive intensity. The company stated the market share improved mom in 1Q, with April/May/June's market share standing at 16.9%/17.9%/19.3%. EBIT margin contracted to decadal low of 3.5% due to adverse operating leverage and higher ATL/BTL promotions to support secondary sales.
Voltbek	Voltbek clocked 33% yoy volume growth in 1Q and sold close to 1 mn units, driven primarily by robust demand for washing machines and direct cool refrigerators. The company gained market share in both categories. Growth was broad-based across channels, supported by enhanced retail visibility, targeted marketing initiatives, and operational efficiencies.
IFB	HAD (Household appliances) revenues grew by 3.8% yoy, due to decline in AC sales and flat sales for front load washing machine. June saw moderate growth in washers and dryers. The washers industry grew by 5%, driven by 200% growth in higher capacity models (10kg +), offset by 2% growth in below 10 kg capacity washers. The company launched 11 kg washers in June-2025. EBITDA declined 30%, due to dip in AC sales and RM inflation (company had some slippages in managing commodity costs). A&P spends increased by 7% to Rs300 mn for the quarter, due to increase in in-shop branding. The EPR cost is Rs20 mn per month. Front load washers/service/top loader washers contributed 26%/16%/12% to HAD revenues (~54% to overall revenues). The total capacity for front load washers/top loaders/AC is 85k+/60k+/65K+ units per month. AC (~28% to sales) declined 11% due to weak summers, with total volume of 125k units sold in 1Q (vs 137k last year). Refrigerators' sales (~6% of the total sales) picked up, led by 4-year warranty features, clocking 18k+ units per month in 1Q.
Whirlpool	Consolidated/standalone revenues declined by 2.6%/2.8% yoy to Rs24 bn/Rs23 bn. WOIL's volumes declined marginally, despite a significant decline witnessed by the RAC and refrigerator industry in 1Q. This performance was led by strong market share gains in refrigerators and washers. Management attributed its continued share gains to executional excellence, new product innovations, and ROI-based investments. Gross margins improved driven by productivity actions via the P4G program. Consolidated EBITDA remained flat yoy at Rs2.1 bn (~10.9% beat), despite an additional provision of Rs233 mn for the new e-waste regulations (adjusted EBITDA grew by 11.2% yoy).
Outlook	
Blue Star	Despite weak 1Q, management believes that the RAC industry could register 10-15% growth in FY2026E. The company aspires to achieve 14.5% market share in FY2026E, led by expansion of distribution network in north, and products availability across price points. Management guided for EBIT margin of 7-7.5% for segment 1 and 7-8% for segment 2.
Lloyd	Management is confident that inventory levels will normalize over the coming quarters and has no plans for aggressive discounting during the festive season. The company expects margin improvement driven by brand-building investments, operating leverage and strategic pricing repositioning amid intense competition.
Voltas	Voltas expects to clear its excess inventory during the upcoming festive season and in Q3, when the second summer cycle typically boosts demand. Management expects the RAC industry's growth to be flat to (-)10% in FY2026E. The company has ruled out any discounting to drive volumes.
IFB	<b>Washers.</b> The company expects 25%+/35%+ growth in the front/top loaders. <b>RAC.</b> The company expects to grow at 25-30%. Despite poor sales in 1Q, the company is confident to see demand recovery in 3Q and 4Q. <b>Margins.</b> The company appointed Alvarez and Marshal on 15th Feb 2025, to save Rs2 bn in costs in the next 18 months. The company expects to see benefits from 3Q. The company expects to save Rs700-800 mn in FY2026E and balance next year. The company is still targeting DD EBITDA margin in FY2026E.
Voltbek	Voltbek aims to first achieve a 10% market share, which it believes will be a key driver of improved profitability.

Source: Companies, Kotak Institutional Equities

**Exhibit 14: Sales growth of white goods companies in 1HCY25, March fiscal year-ends (Rs mn, %)**


Source: Company, Kotak Institutional Equities

**Exhibit 15: Consumer durables: details on manufacturing, capacity utilization and expansion across players**

Company	Details
<b>Wires and cables</b>	
Polycab	The capex for the quarter stood at Rs4.1 bn (Rs9.5 bn in FY2025). The company continued to guide for a capex of Rs60-80 bn for the next five years. This capex will be largely utilized for cables and wires.
Havells	The company has accelerated its investment plans, announcing an additional capex of Rs3.4 bn during the quarter. The company stated that it has enough capacity for LT cables and the capacity expansion will be for MT and HT cables. The company will double cables capacity over FY2024-27E.
KEI Industries	Capacity utilization stood at 75% in cables, after completion of brownfield capex. The total capex in 1Q stood at Rs4.1 bn, spread across Sanand (Rs2.96 bn), Salarpur and Sanand land (Rs950 mn), and other plants and locations (Rs190 mn). The total capex for Sanand plant till Jun-2025 is Rs8.8 bn, with Rs6-7 bn to be spent in the next 9 months and Rs3-4 bn in FY2027E. The first phase of commercial production of LT+HT/EHV cables from Sanand is expected by Sept-25/1QFY27, while Sanand plant will fully operational by 1HFY27E (from earlier guidance of end-FY2026E). The total revenue generation after plant completion would Rs60 bn, out of which Rs12 bn/Rs48 bn will be from EHV/ LT+MT. Full utilization of the plant will be achieved over 3 years.
RR Kabel	Capacity utilization stood at 90-95% in cables and 70% in wires. Capex of Rs 12 bn is planned over the next three years, with Rs3 bn for FY2026E. The company is targeting a turnover of Rs45 bn at full capacity of this incremental capex. Cables capacity is expected to 2x over 2023 this year, which itself will 2x over the next three years.
Finolex	The capex for FY2026E will be Rs3 bn, of which Rs800-900 mn will be for maintenance capex in electrical cable and balance would be towards communication cables.
Apar Industries	The company has planned capex of Rs13 bn (company level) till June 2026E, with Rs1.5 bn incurred in 1Q and Rs3.5 bn in the next few months.
<b>ECD</b>	
Crompton Consumer	The company continued to guide for a capex of Rs3.5 bn to develop a greenfield manufacturing facility. The plant will commence production in the next 2-3 years.
Eureka Forbes	Capex will be about Rs 500-600 mn in FY2026E, with spends largely towards R&D and innovation. New R&D center will be commissioned from 3Q.
Bajaj electricals	The capex for new product development would be Rs1.4 bn. The new manufacturing plant's capex is under evaluation (earlier guided at ~Rs3 bn). Bajaj will not be investing majorly in manufacturing of switchgears.
Orient Electric	The Greenfield Plant at Hyderabad has been capitalized (started commercial production from 6th May'24, with TPW Lines). ~50% of the TPW fans are produced from this plant. The company is expanding the battery facility in Hyderabad in the enxt 2 years.
<b>White Goods</b>	
Lloyd	Beyond the capex for a new refrigerator plant (Rs4. 8bn mentioned in 3Q), Lloyd does not foresee any incremental capex at the moment.

Source: Bloomberg, Kotak Institutional Equities

**Exhibit 16: Consumer durables valuation summary, March fiscal year-ends**

	MCap (US\$ mn)	Rating	FV (Rs)	CMP (Rs)	Upside (%)	P/E (X)			EV/EBITDA (X)			RoE (%)			CAGR 2026-28E (%)			Share price performance (%)			
						2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E	Revenue	EBITDA	EPS	1W	1M	3M	1Y
Cables and wires																					
KEI Industries	4,156	NR	NA	3,808	NA	42.0	34.6	28.9	28.8	23.2	19.4	13.9	14.8	15.2	19.5	21.9	21.2	(0.9)	2.0	12.1	(11.2)
Polycab	11,981	SELL	5,700	6,970	(18)	41.5	35.1	30.8	28.7	24.3	20.7	23.0	22.8	21.8	17.1	17.6	18.1	1.3	2.6	16.5	8.7
RR Kabel	1,565	NR	NA	1,212	NA	33.0	26.3	21.3	21.1	16.4	13.4	18.4	19.2	19.2	15.2	25.4	23.8	(5.2)	(11.5)	(7.3)	(23.2)
Apar industries	3,915	NR	NA	8,535	NA	35.6	29.2	24.4	18.9	15.9	13.4	19.8	20.5	20.7	16.2	18.9	20.9	(1.8)	(2.3)	23.2	2.8
Electronic consumer durables and lightings																					
Bajaj Electricals	744	NR	NA	565	NA	37.3	22.7	NA	17.0	13.3	NA	9.0	11.6	NA	10.5	NA	NA	(8.1)	(15.2)	(11.2)	(41.0)
Blue star	4,180	NR	NA	1,780	NA	56.9	44.3	36.2	37.0	29.6	24.8	19.0	21.1	22.0	17.3	22.2	25.1	(2.6)	(2.7)	14.2	3.3
Crompton	2,352	BUY	400	320	25	33.7	27.9	23.9	21.6	18.5	16.3	16.6	18.1	18.7	12.0	15.2	18.3	0.1	(5.6)	(3.5)	(25.4)
Eureka Forbes	1,230	BUY	780	557	40	51.3	39.2	29.7	31.9	26.0	20.0	4.5	5.6	7.4	13.4	26.5	33.6	(1.3)	(2.1)	3.8	22.0
Havells	10,596	SELL	1,350	1,479	(9)	54.6	45.1	41.7	36.4	30.0	27.8	19.1	20.7	19.8	14.5	14.4	16.2	(1.0)	(3.1)	(7.4)	(19.9)
IFB Industries	594	NR	NA	1,284	NA	28.7	22.3	NA	13.2	11.5	NA	18.3	19.8	NA	NA	NA	NA	(3.8)	(15.0)	(4.0)	(36.2)
Orient Electric	498	NR	NA	205	NA	34.7	26.2	22.7	16.3	13.4	11.8	17.0	21.0	22.0	11.5	17.7	25.6	0.9	(7.8)	(16.7)	(22.6)
Symphony	741	NR	NA	944	NA	30.5	24.3	20.9	26.3	20.4	17.4	24.7	27.8	29.4	13.9	23.0	24.5	(3.1)	(17.6)	(27.2)	(43.7)
V- Guard	1,795	NR	NA	360	NA	44.3	34.9	29.1	27.8	22.9	19.3	15.8	17.5	18.3	13.5	20.1	22.7	0.3	(8.3)	(4.3)	(30.6)
Voltas	4,817	SELL	1,035	1,275	(19)	52.0	38.3	32.0	40.4	30.8	26.5	12.0	14.8	15.9	14.6	23.5	27.3	(2.6)	(7.4)	2.1	(17.8)
Whirlpool	1,797	ADD	1,485	1,240	20	35.4	28.3	23.5	20.5	17.0	14.4	11.0	12.6	13.6	12.0	19.3	25.1	(4.2)	(10.4)	(2.3)	(40.2)
Kitchen appliances																					
TTK Prestige	988	NR	NA	632	NA	43.4	35.2	29.8	31.1	24.4	19.4	9.4	11.4	13.3	12.1	26.5	24.9	(0.4)	0.8	(0.4)	(35.1)

Source: Bloomberg, Kotak Institutional Equities estimates

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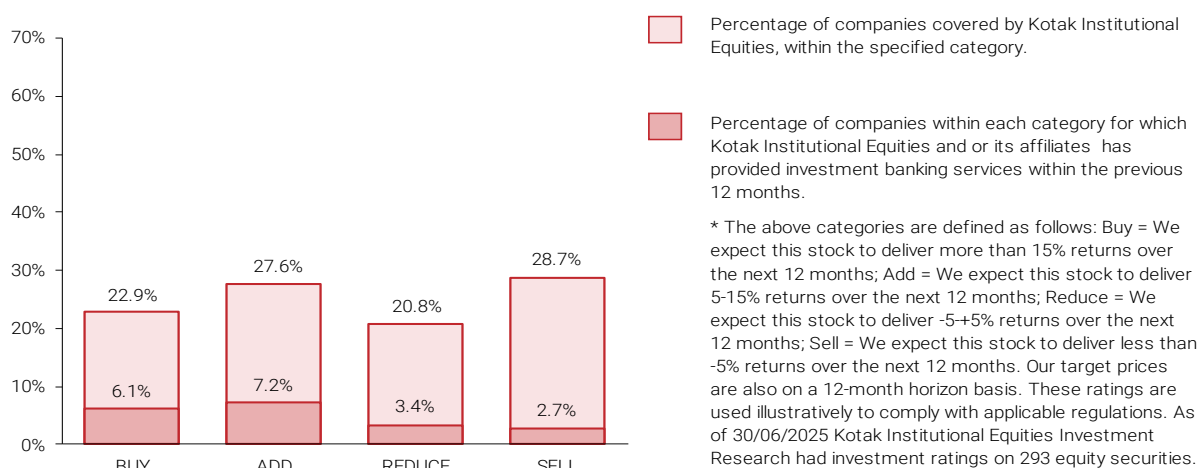
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Corporate Office

Kotak Securities Ltd.  
27 BKC, Plot No. C-27, "G Block" Bandra Kurla  
Complex, Bandra (E) Mumbai 400 051, India  
Tel: +91-22-43360000

Overseas Affiliates

Kotak Mahindra (UK) Ltd  
8th Floor, Portoken House  
155-157 Minorities, London EC3N 1LS  
Tel: +44-20-7977-6900

Kotak Mahindra Inc  
PENN 1,1 Pennsylvania Plaza,  
Suite 1720, New York, NY 10119, USA  
Tel: +1-212-600-8858

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Details of	Contact Person	Address	Contact No.	Email ID
Customer Care/ Complaints	Mr. Ritesh Shah	Kotak Towers, 8th Floor, Building No.21, Infinity Park, Off Western Express Highway, Malad (East), Mumbai, Maharashtra - 400097	18002099393	ks.escalation@kotak.com
Head of Customer Care	Mr. Tabrez Anwar		022-42858208	ks.servicehead@kotak.com
Compliance Officer	Mr. Hiren Thakkar		022-42858484	ks.compliance@kotak.com
CEO	Mr. Shripal Shah		022-42858301	ceo.ks@kotak.com
Principal Officer (For the purpose of Research Analyst activities)	Mr. Kawaljeet Saluja	Kotak Securities Limited, 27BKC, 8th Floor, Plot No. C-27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	022-62664011	ks.po@kotak.com

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