

Consumer Durables

Sector Update

June 08, 2026

Coverage Universe

Name of the Company	Rating	CMP (INR)	TP (INR)
Bajaj Electricals	Accumulate	306	384
Cello World	BUY	380	489
Crompton Greaves Consumer Electricals	Accumulate	257	320
Havells India	Accumulate	1,140	1,505
KEI Industries	Accumulate	5,148	5,660
LG Electronics India	Accumulate	1,520	1,690
Polycab India	BUY	9,495	10,282
R R Kabel	BUY	2,155	1,964
Voltas	Hold	1,276	1,308

RAC Channel Check (Jun'26)

Quick Pointers

- RAC demand softened in May-Jun'26 after a healthy post 15th Apr'26—early May'26 period
- Industry undertook 5-12% price hikes driven by BEE revisions and commodity inflation

We interacted with 31 dealers across states to assess demand momentum, pricing trends, the impact of recent BEE revisions, and brand-level feedback in the RAC segment, particularly in the context of ongoing summer season and expectations of incremental demand. Our interactions suggest demand remained healthy through post 15th Apr'26 and early May'26, but softened toward the end of May due to expected onset of monsoon. Most brands implemented price hikes to offset higher input costs and BEE-related efficiency upgrades. Inventory has moderated to healthy levels, with dealers maintaining cautious stocking ahead of the monsoon season.

RAC Demand Remains Soft; BEE Transition Impact Limited

Demand for RACs has been subdued across most regions, with channel check indicating a weaker-than-expected summer season. Demand was moderately impacted by unseasonal rains in a few regions, lower temperatures, and weak consumer spending.

BEE rating revisions had a limited impact on overall demand, although some dealers observed a shift in consumer preference from 5- to 3-star models due to higher pricing and affordability considerations.

Demand witnessed a temporary uptick during post 15th Apr'26 to early May'26, driven by peak summer conditions and inventory liquidation, before moderating in subsequent months due to unseasonal rains and lower temperatures.

Commodity Inflation Drives High Price Hikes Across Country

Pricing across the industry increased by 5-12% (INR2,000-5,000 per unit depending on model and brand) during Mar-Apr'26, driven by BEE rating revisions and higher input costs.

Some dealers observed a shift in preference toward 3-star models from 5-star ones due to affordability considerations following the price increase.

Dealers indicated that LG, Samsung and Daikin implemented relatively higher price hikes of 10-11%, while Blue Star and Voltas undertook comparatively lower increases of 6-8% on average.

Limited Inventory Build-Up

Inventory levels have largely normalized across markets following the liquidation of older stock and stronger sales during peak summer. Most dealers maintained comfortable inventory levels of 20-30 days, with limited fresh stocking and a cautious approach toward inventory build-up ahead of the monsoon season.

Other Highlights

Channel checks indicate that demand for Daikin and Blue Star remains healthy, with both brands continuing to gain traction and increase market preference.

Voltas continues to witness healthy volume growth and is steadily strengthening its market presence across key markets.

1.5T 3-star models remained the bestsellers across brands, with a noticeable increase in demand for 1.5T 5-star models.

Exhibit 1 : Channel Check Summary

Date	Dealers/Retailers Connected	Brands - Dealer	Category	Price	Promotion & Discounts	Inventory	Demand
Feb'23	8	Blue Star & Daikin	RAC	↔	-	40-50 days	Expected to increase in Mar'23
Mar'23	30	Voltas & Lloyd	RAC	↔	~15%	35 days	Expected to increase by end of month
Apr'23	20	Voltas & Blue Star	RAC	↔	-	25-35 days	Increased in Apr
Jun'23	13	Voltas, Blue Star & Llyod	RAC	↔	-	45 days	Low - affected by unseasonal rains
Nov'23	28	Voltas, Blue Star, Hitachi, Daikin & Llyod	RAC	↔	-	Medium	Low - Diwali not a peak time for RAC sales
Mar'24	58	Voltas, Blue Star, Hitachi, Daikin & Llyod	RAC	↑	-	40-50 days	Medium - to improve post Holi
Jun'24	16	Voltas, Blue Star, Hitachi, Daikin & Llyod	RAC	↑	-	15-30 days	Robust - severe summer
Jun'25	35	Voltas, Blue Star, Hitachi, Daikin & Llyod	RAC	↑	-	15-30 days	Weak - affected by erratic weather
Jun'26	31	Voltas, Blue Star, Hitachi, Daikin, LG & Llyod	RAC	↑	-	20-30 days	Weak – post-summer slowdown

Source: Company, PL

Exhibit 2 : Region-Wise Summary

Zone	Dealers/Retailers Connected	Price	Inventory	Demand
West	5	↑	30 days, low	Weak, expected to be flat
North	6	↑	25-30 days, low	Weak, expected to be flat
Central	8	↑	30 days, low	Weak, expected to be flat
South	5	↑	25-30 days, low	Weak, expected to be flat
East	7	↑	30 days, low	Weak, expected to be flat

Source: Company, PL

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Amber Enterprises India	BUY	8396	7154
2	Astral Ltd.	BUY	1863	1444
3	Avalon Technologies	Hold	1233	1256
4	Bajaj Electricals	Accumulate	384	343
5	Cello World	BUY	489	368
6	Century Plyboard (I)	Accumulate	862	778
7	Cera Sanitaryware	Buy	7429	5782
8	Crompton Greaves Consumer Electricals	Accumulate	320	285
9	Cyient DLM	HOLD	370	358
10	Finolex Industries	Accumulate	207	192
11	Greenpanel Industries	BUY	332	186
12	Havells India	Accumulate	1505	1349
13	Kajaria Ceramics	Accumulate	1323	1188
14	Kaynes Technology India	Accumulate	3506	3337
15	KEI Industries	Accumulate	5660	5018
16	LG Electronics India	Accumulate	1690	1491
17	Polycab India	BUY	10282	8416
18	Premier Energies	Accumulate	1071	982
19	R R Kabel	BUY	1964	1571
20	Supreme Industries	BUY	4626	3692
21	Syrma SGS Technology	Hold	1128	1075
22	Vikram Solar	Accumulate	226	215
23	Voltas	Hold	1308	1294
24	Waaree Energies	Buy	3713	3230

PL's Recommendation Nomenclature (Absolute Performance)

BUY	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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