Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	74,529	-0.4	-12.5
Nifty-50	23,329	-0.4	-10.7
Nifty-M 100	61,963	-0.1	2.4
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	7,765	0.0	13.4
Nasdaq	27,244	0.5	17.2
FTSE 100	10,708	-0.3	7.8
DAX	25,579	0.0	4.4
Hang Seng	8,363	0.3	-6.2
Nikkei 225	65,019	0.0	29.2
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	116	-1.6	86.5
Gold ($/OZ)	4,361	0.4	1.0
Cu (US$/MT)	14,821	0.8	19.0
Almn (US$/MT)	3,247	-0.4	9.4
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	95.6	-0.2	6.4
USD/EUR	1.1	-0.1	-2.5
USD/JPY	157.4	0.0	0.4
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	7.0	-0.04	0.4
Flows (USD b)	**22-Sep**	**MTD**	**CYTD**
FIIs	-0.40	-1.64	-25.4
DIIs	0.43	4.96	64.4
Volumes (INRb)	**22-Sep**	**MTD***	**YTD***
Cash	1,145	1235	1344
F&O	4,90,931	2,29,980	2,52,761

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

IDFC First Bank: Earnings set to gain pace; RoA to swing back to ~1.2%; Upgrade to Buy

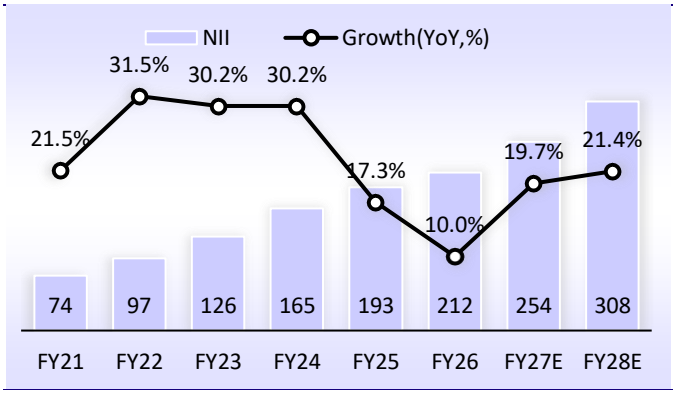
- IDFC First Bank (IDFCFB) has delivered strong balance sheet growth, with advances and deposits registering a CAGR of 21% and 26%, respectively, in the past three years. Deposit growth has outpaced loan growth as the liability franchise has scaled up, with the CD ratio declining significantly to 94% from 108% in FY23.
- The ~73% leverage provided on the USD3.57b FCNR (B) mobilization (11% of deposits) could likely compress full-year NIMs by ~7-12bp; however, the shift to progressive SA pricing alongside TD rate cuts should offset NIM impact.
- Despite the near-term NIM drag, FCNR (B) mobilization, which is estimated to add ~1.5-4.4% to incremental NII, coupled with improving opex intensity, should translate into an estimated ~4.1-6.8% boost to FY27E earnings.
- The bank has strengthened its internal controls and governance processes and has recently lowered its credit cost guidance, underscoring strong asset quality trends. We estimate GNPA/NNPA to moderate to 1.4%/0.4% by FY28E.
- We estimate 42% PPoP CAGR over FY26-28E and C/I ratio at ~69%/65% for FY27/28, translating into RoA/RoE of 1.2%/11.9% by FY28E. We upgrade our rating to BUY from Neutral with a TP of INR105 (based on 1.6x FY28E ABV).

Research covered

Cos/Sector	Key Highlights
IDFC First Bank	Earnings set to gain pace; RoA to swing back to ~1.2%; Upgrade to Buy
Voltas	Focusing on RAC market share gain and growth diversification
Internet	Instant, multi-category home services: Sizing the opportunity

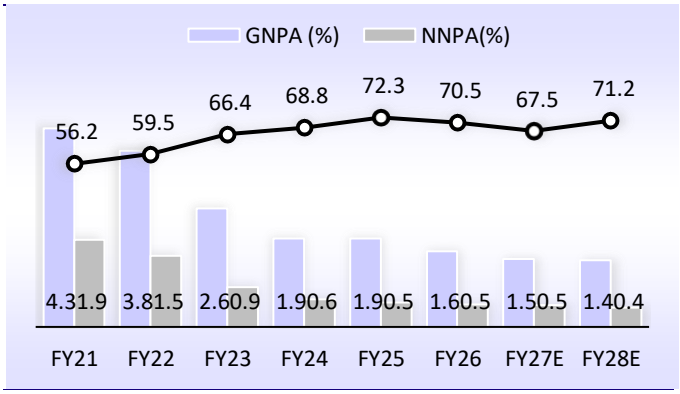
Chart of the Day: IDFC First Bank (Earnings set to gain pace; RoA to swing back to ~1.2%)

Estimate ~21% CAGR in NII over FY26-28E



Source: MOFSL, Company

Asset quality to remain benign; GNPA/NNPA to remain at 1.4%/0.4% by FY28E



Source: MOFSL, Company

Research Team

Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

In the news today

Kindly click on textbox for the detailed news link

1

PhonePe gets UAE central bank's in-principle approval for payments, wallet licences

PhonePe receives in-principle approval from UAE Central Bank for retail payment and stored value licenses, aiming to support domestic payment rails Aani and Jaywan before launching operations.

2

JSW Group enters electric commercial vehicle market with Ampstar, invests Rs 2,500 crore

Less than three years after entering the automotive sector, JSW Group has entered the electric commercial vehicle (CV) market, unveiling the Ampstar brand on September 22 and announcing plans to build a portfolio of electric trucks

3

Flipkart sees festive buying beyond big-ticket items

Consumers are broadening their festive shopping to include beauty, personal care, and healthcare products, with Flipkart reporting significant growth driven by Gen Z and digital engagement.

4

Maruti Suzuki accelerates capex as demand outpaces supply

Rahul Bharti, Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Ltd, said the company cannot build cars fast enough to meet demand, a year after India's cut to the Goods and Services Tax (GST) on passenger vehicles (PVs) reshaped the market.

5

EIL bags over $450-mn contract for Dangote's 700,000-bpd Kenya refinery

Engineers India Ltd secures $450 million contract from Dangote Group for a 700,000-bpd refinery and petrochemical complex in Kenya, expanding beyond Nigeria and boosting East Africa's energy security.

6

India's aviation regulator places SpiceJet under operational, financial scrutiny

India's aviation ministry has placed troubled carrier SpiceJet under operational and financial scrutiny following its long-running cash flow troubles, worsened by the ongoing Middle East conflict.

7

BankBazaar eyes strategic tie-ups to expand into insurance

BankBazaar, backed by Peak XV, explores strategic partnerships in insurance and mutual funds to expand its fintech offerings beyond credit products, leveraging AI and consumer insights for growth.

IDFC First Bank

BSE SENSEX	S&P CNX
74,529	23,329

CMP: INR85 TP: INR105 (+23%) Upgrade to BUY

Earnings set to gain pace; RoA to swing back to ~1.2%

FCNR (B) deposits to strengthen liability franchise

- IDFC First Bank (IDFCFB) has delivered strong balance sheet growth, with advances and deposits registering a CAGR of 21% and 26%, respectively, in the past three years. Deposit growth has outpaced loan growth as the liability franchise has scaled up, with the CD ratio declining significantly to 94% from 108% in FY23.
- The ~73% leverage provided on the USD3.57b FCNR (B) mobilization (11% of deposits) could likely compress full-year NIMs by ~7-12bp (Exhibit 8); however, the shift to progressive SA pricing alongside TD rate cuts should offset NIM impact.
- Despite the near-term NIM drag, FCNR (B) mobilization, which is estimated to add ~1.5-4.4% to incremental NII, coupled with improving opex intensity, should translate into an estimated ~4.1-6.8% boost to FY27E earnings.
- The bank has strengthened its internal controls and governance processes and has recently lowered its credit cost guidance, underscoring strong asset quality trends. We estimate GNPA/NNPA to moderate to 1.4%/0.4% by FY28E.
- We estimate 42% PPoP CAGR over FY26-28E and C/I ratio at ~69%/65% for FY27/28, translating into RoA/RoE of 1.2%/11.9% by FY28E. We upgrade our rating to BUY from Neutral with a TP of INR105 (based on 1.6x FY28E ABV).

Loan book to post 21% CAGR over FY26-28E

IDFCFB continues to pursue a granular and diversified asset mix, with net advances growth of 20.8% YoY in 1QFY27. Growth has been broad-based, with wholesale loans growing 30% YoY and retail loans growing 21.5% YoY, led by vehicle finance (~26% YoY), consumer loans (~26% YoY) and gold loans (~103% YoY), as the focus shifts toward higher-quality borrowers. The bank continues to selectively moderate MFI exposure while maintaining a diversified retail asset mix. Going forward, management expects further market-share gains, with improving traction in gold loans, consumer loans and vehicle finance. We estimate ~21% loan CAGR over FY26-28E, taking the loan book beyond INR3.4t by FY27E, supported by a diversified asset mix and disciplined growth.

Strong FCNR (B) mobilization to aid growth momentum

IDFCFB has built a strong and granular liability franchise, with retail deposits now accounting for 80% of customer deposits vs. 27% at merger, aided by a 51% CASA ratio. Management focuses on branch-led as well as digital mobilization of CASA and retail deposits, which grew 20% YoY. We estimate 25% CAGR in deposits over FY26-28E, especially with healthy FCNR (B) deposit mobilization of USD3.57b (11% of total deposits), comfortably funding loan growth. Importantly, stable deposit growth of 1.1% QoQ in 4QFY26 and 5.9% QoQ in 1QFY27 highlights the resilience of the liability franchise and continued customer confidence in the bank after the fraud incident.

Stock Info

Bloomberg	IDFCFB IN
Equity Shares (m)	8615
M.Cap.(INRb)/(USDb)	736.1 / 7.7
52-Week Range (INR)	89 / 58
1, 6, 12 Rel. Per (%)	2/35/28
12M Avg Val (INR M)	2444
Free float (%)	100.0

Financials Snapshot (INR b)

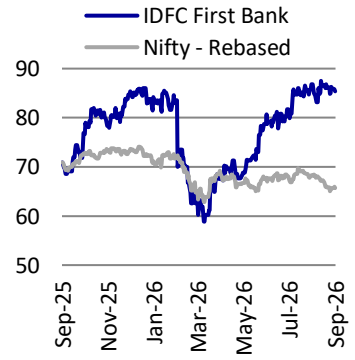
Y/E March	FY26	FY27E	FY28E
NII	212.2	254.0	308.4
OP	72.1	109.3	146.3
NP	16.4	44.7	63.1
NIM (%)	5.7	5.7	5.7
EPS (INR)	2.1	5.2	7.3
BV/Sh. (INR)	55	59	65
ABV/Sh. (INR)	53	56	62
Ratios			
RoA (%)	0.4	1.0	1.2
RoE (%)	3.9	9.2	11.9
Valuations			
P/E(X)	41.6	16.4	11.6
P/BV (X)	1.6	1.5	1.3
P/ABV (X)	1.6	1.5	1.4

Shareholding pattern (%)

As on	Jun-26	Mar-26	Jun-25
Promoter (%)	0.0	0.0	0.0
DII (%)	32.2	30.5	32.6
FII (%)	36.1	36.5	23.8
Others (%)	31.7	32.9	43.7

FII Includes depository receipts

Stock's performance (one-year)



FCNR (B) flows to affect full-year NIMs by 7-12bp

The ~73% leverage provided on the USD3.57b FCNR (B) mobilization (~11% of deposits) could lower full-year NIMs by ~7-12bp (Exhibit 10), depending on the proportion of deployment and retirement of high-cost deposits. However, the bank has recently shifted from a flat SA rate system to a progressive SA rate and reduced peak TD rates by 15bp, which will help control funding costs. In the medium term, an improving asset mix toward higher-yielding, better-quality assets should support NIM stability. Overall, management expects NIM stabilization to be driven increasingly by franchise-led initiatives rather than short-term cost measures. IDFCFB has raised its NIM guidance by 5bp to 5.8% for FY27.

FCNR (B) mobilization: FY27E EPS may get a boost of 4-7%

Despite the near-term NIM drag, FCNR (B) mobilization could boost NII and EPS by 4-7% for full year FY27E. The magnitude of the benefit depends on the deployment mix. Full deployment of FCNR (B) deposits into higher-yielding assets offers the maximum upside of ~4.4% to NII and ~6.8% to EPS, while using a larger portion to retire higher-cost wholesale liabilities lowers the incremental earnings benefit. Conversely, full deployment leads to the maximum estimated NIM drag of ~12bp as balance sheet swells, highlighting the trade-off between absolute earnings accretion and margin dilution (Exhibit 8).

C/I moderation to be key driver for ROA

Management targets a ~350bp annual improvement in C/I ratio, with an ambition to bring it down to 60% over the next few years from ~71% (ex-trading) currently (long-term range 55-60%). Operating leverage is already emerging, with opex growth of 16.4% YoY trailing operating income growth (ex-trading) of 21.5% YoY. Retail-liability C/I is steadily declining as the deposit franchise scales up, with management targeting ~100% in the medium term (currently at 148%, 171% in FY25). We expect C/I to moderate to 69%/65% in FY27/28E, supporting ~42% PPoP CAGR over FY26-28E. Combined with normalizing credit costs, this should provide a strong operating leverage-led pathway for RoA expansion.

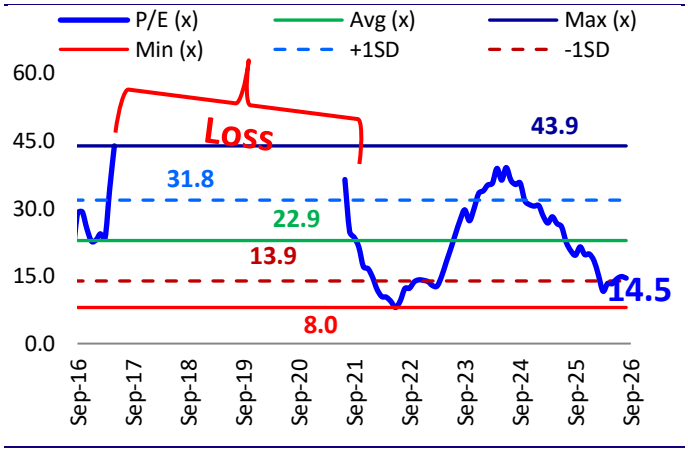
Earnings buoyancy to return as headwinds are largely behind

IDFCFB's reported earnings have been significantly constrained over the past two years by the twin impact of the MFI stress cycle and the deposit fraud incident, masking the underlying improvement in the core franchise. Elevated MFI provisions pushed credit costs to ~3% in FY25/FY26. With the MFI book now reduced to INR67b from INR133.4b in FY24 and the fraud-related impact fully recognized, the key earnings overhangs are steadily fading. Going forward, stable NIMs, ~21% loan growth, strong fee income traction and emerging operating leverage should drive a meaningful recovery in profitability. We believe IDFCFB is transitioning from a balance-sheet repair phase to a period of consistent earnings compounding.

Valuation and view: Upgrade to BUY with TP of INR105

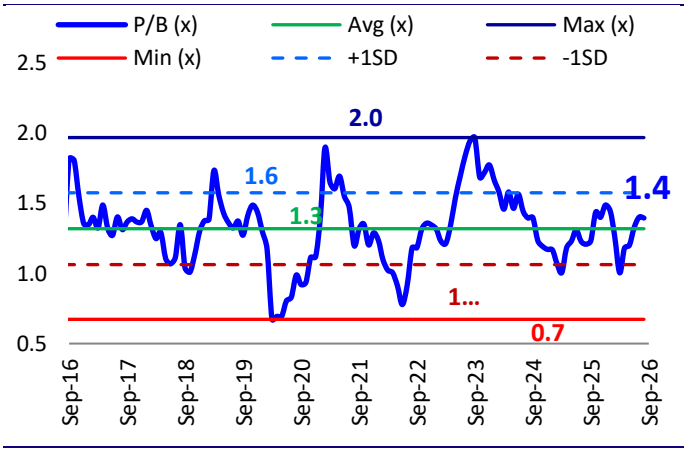
IDFCFB has made significant progress in strengthening its deposit franchise while sustaining robust loan growth and steadily de-risking the balance sheet. The bank is well positioned for a sustainable recovery in profitability, supported by healthy business growth, improvement in operating leverage and controlled credit cost. The bank has strengthened internal controls and governance processes and has lowered its credit cost guidance, underscoring strong asset quality trends. We estimate GNPA/NNPA to moderate to 1.4%/0.4% by FY28E. We estimate IDFCFB to deliver 42% PPoP CAGR over FY26-28E and C/I ratio to improve to ~69%/65% in FY27/28, translating into RoA/RoE of 1.2%/11.9% by FY28E. **We upgrade our rating to BUY from Neutral with a TP of INR105 (based on 1.6x FY28E ABV).**

Exhibit 1: One-year forward P/E



Source: MOFSL, Company

Exhibit 2: One-year forward P/B



Source: MOFSL, Company

Voltas

BSE SENSEX	S&P CNX
74,529	23,329

Bloomberg	VOLT IN
Equity Shares (m)	331
M.Cap.(INRb)/(USDb)	364.2 / 3.8
52-Week Range (INR)	1583 / 1100
1, 6, 12 Rel. Per (%)	-7/-18/-13
12M Avg Val (INR M)	1415
Free float (%)	70.0

Financials & Valuations (INR b)

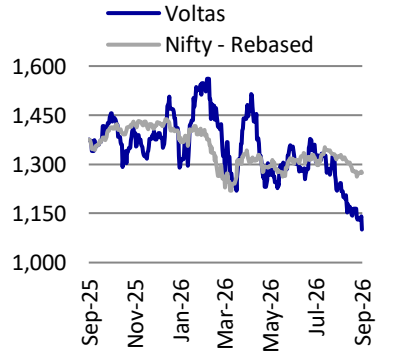
Y/E MARCH	FY26	FY27E	FY28E
Sales	142.4	160.7	183.8
EBITDA	6.5	10.6	13.7
Adj. PAT	4.0	7.2	9.8
EBITDA Margin (%)	4.5	6.6	7.5
Cons. Adj. EPS (INR)	12.0	21.7	29.7
EPS Gr. (%)	(52.8)	80.3	37.2
BV/Sh. (INR)	192.8	211.4	235.7
Ratios			
Net D:E	0.0	(0.0)	(0.1)
RoE (%)	6.2	10.2	12.6
RoCE (%)	8.1	11.4	13.1
Payout (%)	25.0	25.0	25.0
Valuations			
P/E (x)	91.7	50.9	37.1
P/BV (x)	5.7	5.2	4.7
EV/EBITDA (x)	56.6	34.2	26.1
Div Yield (%)	0.3	0.5	0.7
FCF Yield (%)	0.4	1.9	1.9

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	30.3	30.3	30.3
DII	39.1	38.4	33.4
FII	16.9	18.5	21.2
Others	13.7	12.9	15.2

FII includes depository receipts

Stock Performance (1-year)



CMP: INR1,101 TP: INR1,170 (+6%) Neutral

Focusing on RAC market share gain and growth diversification

Demand recovering, but margin improvement remains gradual

We interacted with the management of Voltas (VOLT) to understand current demand trends, pricing action, commodity inflation impact, market share and diversification of growth drivers going forward. Management highlighted that RAC channel inventory is now below one month. RAC volume growth is in high teens across primary and secondary sales, aided by a low base. The company has taken two price hikes of 7% (for changes related to new BEE ratings) and 5% (for commodity price changes) to pass on the cost inflation. It is prioritizing market-share gains and absolute EBIT in UCP segment and believes that margin expansion will be a gradual process. In RAC, market share stood at 18.6%/17.5% in Jul'26/YTD. It is also preparing to launch its first centrifugal chiller for the domestic commercial air-conditioning (CAC) market this month, strengthening its presence in the larger CAC segment. Commercial refrigeration (CR) has witnessed a recovery following a muted 1QFY27. Deep freezers constitute ~50% of the CR business, while water dispensers and water coolers account for ~25% each. In Voltbek, commodity inflation is relatively higher compared with RAC. We maintain our estimates for FY27/FY28. Reiterate Neutral rating with a TP of INR1,170, based on SoTP.

RAC: Healthy secondary demand; market share gain key priority

- Management highlighted that RAC secondary demand is healthy, with industry growth in high teens, and VOLT is performing slightly better than the industry. Sep'26 will be an important month to monitor, particularly given the base impact. It highlighted two key differences YoY: (1) weak summer had resulted in elevated channel inventory, whereas this year channel inventory has been normal given the strong summer; (2) The GST rate cut on ACs in Aug'25 led to nearly 5-6 weeks of disruption/stalling in primary billing, which is not the case this year. The current season is seeing a cleaner primary-secondary movement.
- The festive season is expected to benefit primary stocking across categories, although ACs may not be the largest beneficiary. Refrigerators, washing machines, small domestic appliances, TVs and mobiles are expected to see relatively stronger festive stocking. The wedding season is also an important demand driver.
- The company has taken two price hikes of 7% (for changes related to new BEE ratings) and 5% (for commodity price changes) to pass on the cost inflation. Channel inventory remains below 30 days, while discounts are not high given the current RAC off-season. Further price hike will depend on input cost pressure and consumer sentiment. VOLT indicated that consumer affordability is an important factor in price hike decisions. Given the relatively price-sensitive nature of the mass-market RAC segment, the ability to pass on the entire increase in input costs may be limited at any given point.

- Market share is a key priority. It was ~18.6% in Jul'26, with the next-largest player at ~12%. YTD market share is 17.5% vs. 15.9% last year. High market share supports revenue growth and better fixed-cost absorption, but past gains may not continue at the same pace, as distribution, service, product quality, pricing and brand positioning also play a role.
- The launch of the AI-powered Vertis Split AC series marked an important milestone, introducing intelligent features such as AI Adaptive Cooling, AI Geo Fencing and AI Energy Manager to deliver a smarter and more personalized cooling experience. Capacity expansion in Chennai to 1.5m units enhances its ability to support future growth. Its two plants in Chennai and Pantnagar are running at full capacity. Its refreshed 'Har Ghar Voltas' campaign further deepened the brand's emotional connect with Indian households while giving it a more contemporary and aspirational appeal.
- VOLT remains focused on absolute EBITDA/profit and market share gains rather than a fixed margin target. Currency and copper pressure remain elevated, while discounts and consumer subvention could be moderated without impacting brand, channel relationships or share.

Backward integration to support long-term cost competitiveness

- The cost environment is volatile, with limited scope for full pass-through given consumer price sensitivity and ~8% RAC penetration. Pantnagar and Chennai are running at full capacity, with Chennai largely backward integrated (100% in-house choke coil, plastic moulding and sheet metal) vs. ~70% in-house choke coil in Pantnagar. Chennai plant is expected to deliver full benefits from the next season.
- VOLT is pursuing backward integration and localization of key RAC components, including compressors and motors, to improve supply security, import substitution and long-term cost competitiveness rather than to achieve immediate margin expansion.
- The 50:50 compressor JV is progressing well, with prototype development and pilot production underway at the planned Chennai plant. Investment of INR2b-2.4b is indicated, with bulk production targeted for 4QFY28. Initially, ~15-20% of VOLT's requirements are expected to be captive, while the JV will supply to other players. The initiative is aimed at localizing compressor production and improving supply security, with capex expected to be disclosed by CY26 end.
- Compressors comprise three key components - cell, BLDC motor and pump assembly - with BLDC motors accounting for ~50% of cost, while pump assemblies use seven precision-machined parts sourced from sub-suppliers. Atomberg brings in expertise in BLDC motor technology. The industry has historically been import-dependent, and increased competition has expanded it to 60 players (20 serious players), with the average compressor pricing of INR2,700-3,200.
- Domestic appliances, particularly washing machines, remain a diversification opportunity, with focus on fully automatic migration, higher-capacity models and premiumization through energy management, adaptive cooling and richer features.

Project business targets high-growth segments

- In Project business, VOLT focuses on areas where it has strong execution capability, and market opportunities are expanding, including data centers, district cooling plants, industrial projects, solar, electrical, water, metro and tunnel ventilation.
- CAC portfolio includes ducted ACs (~33% of mix; ~30% inverter), VRF (12-15%), scroll and screw chillers, with market shares of 25% in ducted/scroll, 20-25% in screw chillers and 8-10% in VRF. About 50% of CAC revenue comes from services, with the balance from standard products and retrofit.
- It has started local production of centrifugal chillers with an MNC partner. The first unit is expected in one month, starting at 400-500TR and scalable to 4,000TR. The market is largely dominated by American players, making localization a cost-competitiveness opportunity. CAC demand improved in 2QFY27, though earlier cost increases impacted channel inventory uptake.
- Commercial refrigeration is a key diversification opportunity in the INR50b+ market, growing at ~12%. The portfolio includes deep freezers, water coolers, visi coolers, cold rooms and medical refrigeration. It has ~27% share in deep freezers, ~35% in water coolers and ~10% in visi coolers, with scope to expand in institutional/key accounts.
- Data centers are a key growth opportunity across CAC and MEP, and VOLT has set up a dedicated vertical. VOLT is currently executing two projects and has bid for several COLO and hyperscaler projects. Domestic MEP order book stands at INR48b, including INR2b from data centers, with projects typically having an 8-12-month turnaround. MEP scope covers electrical, piping, ducting, cabling, solar and water solutions, while equipment is largely outsourced.
- International business is being developed as a separate vertical, with Europe offering opportunities across exports, MEP, CAC, clean rooms and semiconductors. While exports are currently small, management sees meaningful potential over the next 3-4 years. Overall, it is diversifying beyond seasonal RAC into CAC, data centers, MEP, CR and exports.

Voltbek – focusing on strengthening market position

- Voltbek continues to play an important role in its long-term ambition to build a scaled and diversified home appliances business. Despite a subdued market environment, the business grew ~12% YoY in FY26 while strengthening its presence across categories and markets. Refrigerator market share by volume increased from ~5.5% to 6.1%, while washing machine share remained stable at ~8.6%. Voltbek also retained its strong No. 2 position in semi-automatic washing machines.
- The brand continued to enhance its portfolio with advanced frost-free refrigerators and fully automatic washing machines, featuring hygienic wash and energy-smart features, in line with evolving consumer preferences. Increasing localization and a more optimized sales mix are gradually improving operating leverage and supporting long-term profitability.
- It continues to use schemes and promotional interventions, depending on the season and channel environment. VOLT focuses on improving its presence in these categories. New products are being launched progressively, keeping in

mind the importance of maintaining consumer proposition and channel engagement.

Valuation and view

- Management is constructive on the long-term RAC opportunity, supported by low penetration and rising incomes, but expects competition to intensify. It is not targeting a specific margin milestone with a fixed date; rather, the expectation is for margin to improve gradually as commodity inflation moderates, pricing actions flow through and operating leverage improves. In the near term, VOLT focuses on market share retention and absolute profitability, with distribution, service, product quality, pricing discipline and brand strength remaining critical.
- The broader strategy is to develop **multiple growth engines beyond RAC** by scaling up across commercial AC, commercial refrigeration, appliances, data centers, MEP, and international operations. The focus is on building the necessary manufacturing capacity, product capability, distribution network and service infrastructure across each vertical. Hence, the initiatives focus on the long-term strategic goals, with benefits expected to play out over the next few years.
- We estimate a CAGR of ~14%/46%/57% in VOLT's revenue/EBITDA/PAT over FY26-28, albeit on a low base. In UCP, we estimate a revenue CAGR of ~18% over FY26-28 and margin of 6%/7% in FY27/FY28 (vs. 3.2% in FY26). The stock is currently trading at 51x/37x FY27E/FY28 EPS. We maintain our Neutral rating on the stock given the near-term challenges in UCP margin. We arrive at a TP of INR1,170, based on 40x FY28E EPS for the UCP segment, 25x FY28E EPS for the PES and EMPS segments (each), and INR20/share for Voltbek.


Urban Company

Instant, multi-category home services: Sizing the opportunity

India's high-frequency home operating services market represents a large and significantly under-digitized consumer opportunity. This note examines five key themes shaping the category's growth: 1) expansion of the addressable market beyond traditional house help services, 2) structural advantages of the business model compared with other consumer internet businesses, 3) city-level execution and micro-market density, 4) the path to profitability and the competitive landscape, and 5) the long-term opportunity to build a multi-category, high-frequency home services platform. **To better understand the space, we met with Snabbit CEO Aayush Agarwal; key insights from this discussion are incorporated in this note.**

The broader thesis suggests that high-frequency home operating services remain one of India's largest yet least-digitized consumer categories, with digital penetration below 2% among urban households in Metro and Tier-1 cities. Over the next five years, Snabbit expects urbanization, rising per-capita GDP, and higher discretionary incomes to drive category expansion. **Across house help, home cooks, salon-at-home, and other household services, Snabbit believes it can build an ARR of approximately USD6b over this period.** In the immediate term, however, the company remains focused on improving unit economics and deepening density within existing cities rather than pursuing aggressive geographic expansion.

Our estimates peg the total high frequency (house help) serviceable addressable market at ~USD3.7b (refer to Exhibit 1). This estimate captures two primary use cases: a) ad-hoc support when a household's regular help is unavailable, and b) households transitioning entirely from conventional house-help arrangements to an on-demand model.

The opportunity is larger if adjacencies play out; house help replacement and displacement opportunity could be USD3.7b

- **The company believes house help, cooks, salon-at-home, elderly care, and other adjacencies unlock a much larger digital services opportunity (USD9-10b).**
- It could be slightly early to estimate the adjacent demand vectors, but our estimates suggest house help demand alone could be USD3.7b. As shown in Exhibit 1, we present base, bull, and bear case scenarios for house-help adoption in India, taking into account both the potential household replacement demand as well as ad-hoc leave replacement demand that is currently playing out in key micro markets.
- Snabbit is being built across multiple high-frequency home operating services, with house help currently the largest category. Over time, Snabbit intends to expand into **home cooks, salon-at-home, drivers, childcare, elderly care, and other household services**, materially increasing customer frequency.

- Salon-at-home is being approached differently by **unbundling low-AOV, high-frequency beauty services**, particularly functional and repetitive needs such as threading and waxing, and making them available instantly. The uptake of such adjacent services should drive higher frequency for both the industry as well as Snabbit.
- The current focus remains on the top metro cities where customer density supports faster marketplace development. Over the longer term, the company estimates that the **top 50 cities could support 1,500+ micro-markets**, with a mature network eventually scaling to **~1,500 daily jobs per micro-market** from house-help services alone. This potential is already visible across several of Snabbit's mature micro-markets, which have reached these volumes within 12–18 months and continue to grow. We believe Tier-2 adoption could follow a similar trajectory to food delivery, ride-hailing, and quick commerce, as consumer trust in on-demand home services improves.

Competition intensifying between players

- **Snabbit and Urban Company are neck and neck:** Snabbit has crossed 115k daily jobs, with ARR growing from USD9m in Dec'25 to a projected triple-digit figure by Mar'27. Industry data also suggests Snabbit processed ~1.51m monthly orders during June, at par with Urban Company's InstaHelp (~1.50m), with these numbers rising to ~1.85m monthly orders for Snabbit and ~1.9m for Urban Company in July.
- **Execution continues to be driven by micro-market density rather than rapid city expansion:** Mumbai remains the largest market, followed by NCR, while Bengaluru is the third-largest geography for Snabbit.
- The strategy continues to prioritize increasing density within existing clusters instead of entering several new cities simultaneously. We believe this approach should improve supply availability, customer experience, and marketplace utilization before broader geographic expansion.
- The company is live across **~200 micro-markets** in the top five cities, nearly half of which were launched over the last four months. We believe marketplace density is likely to become an increasingly important differentiator in the category, as higher local liquidity can improve service availability and customer experience while allowing the platform to build deeper supply pools within individual markets.

Unit economics: Currently burning INR250/order; path to positive CM over the medium term

- Unlike e-commerce and quick commerce, the business does not require inventory, warehousing, or asset-heavy infrastructure, resulting in a structurally leaner cost base. The model also avoids significant capital and operating costs associated with owned vehicles, fuel, and fleet maintenance typically involved in mobility businesses.
- In the last quarter, Snabbit recorded an EBITDA loss of INR250/order (vs INR350/order for Urban Company). However, it **is** too early to draw definitive comparisons, as cash burn and steady-state economics could evolve materially as the category matures **(refer to Exhibit 2).**

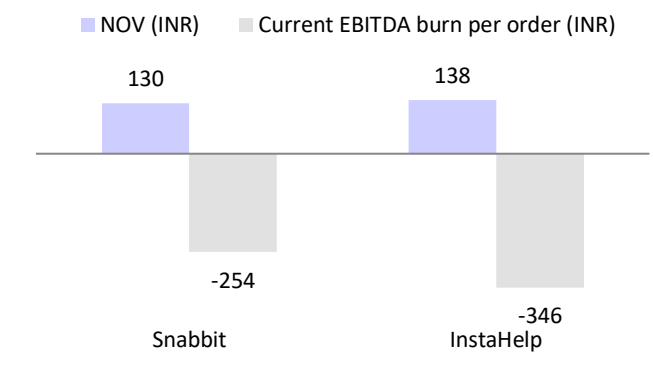
- **Key drivers of improving unit economics: Higher utilization levels, higher AOV, and winning more micro-markets.**
- Over the long term, Mr. Agarwal believes that the business can sustain **EBITDA margins of 8-10% (similar to the home services market)**, driven primarily by higher net order value and higher expert utilization through marketplace efficiency, rather than relying solely on fixed-cost operating leverage.
- We believe the home services category (including instant help) has structurally higher margins vs other consumer internet businesses such as food delivery and quick commerce. That said, irrational competition can keep margins suppressed for longer.

MOFSL estimates for the instant house help category

ASSUMPTION	BEAR CASE	BASE CASE	BULL CASE
BUCKET 1 — REGULAR HELP UNAVAILABLE (Top 40 cities)			
Target households (mn)	40 mn	40 mn	40 mn
Househelp leave days / year	35 days	40 days	45 days
Hours per replacement visit	1.2 hrs	1.5 hrs	1.5 hrs
Steady-state AOV (₹/hr)	₹150/hr	₹200/hr	₹200/hr
% HHs in serviceable micro-mkts	30.0%	35.0%	45.0%
Annual spend / household (₹)	**₹6,300**	**₹12,000**	**₹13,500**
Total TAM (₹ bn)	**252.0 ₹bn**	**480.0 ₹bn**	**540.0 ₹bn**
Total TAM ($ bn)	**2.7 $bn**	**5.1 $bn**	**5.7 $bn**
Serviceable TAM / SAM (₹ bn)	**75.6 ₹bn**	**168.0 ₹bn**	**243.0 ₹bn**
SAM ($ bn)	**0.80 $bn**	**1.8 $bn**	**2.6 $bn**
BUCKET 2 — COMPLETE HOUSEHELP REPLACEMENT (Top 40 cities)			
Target households (mn)	40 mn	40 mn	40 mn
On-demand househelp visits / week	1.5 x/wk	2.0 x/wk	2.5 x/wk
Hours per visit	1.2 hrs	1.5 hrs	1.5 hrs
Steady-state AOV (₹/hr)	₹150/hr	₹200/hr	₹200/hr
Conversion rate (switch from household)	10.0%	15.0%	20.0%
Annual spend / household (₹)	**₹14,040**	**₹31,200**	**₹39,000**
Total TAM (₹ bn)	**561.6 ₹bn**	**1,248.0 ₹bn**	**1,560.0 ₹bn**
Total TAM ($ bn)	**5.9 $bn**	**13.1 $bn**	**16.4 $bn**
Serviceable TAM / SAM (₹ bn)	**56.2 ₹bn**	**187.2 ₹bn**	**312.0 ₹bn**
Conversion-adj. SAM ($ bn)	**0.6 $bn**	**2.0 $bn**	**3.3 $bn**
Total SAM (USD bn)	**1.4 $bn**	**3.7 $bn**	**5.8 $bn**

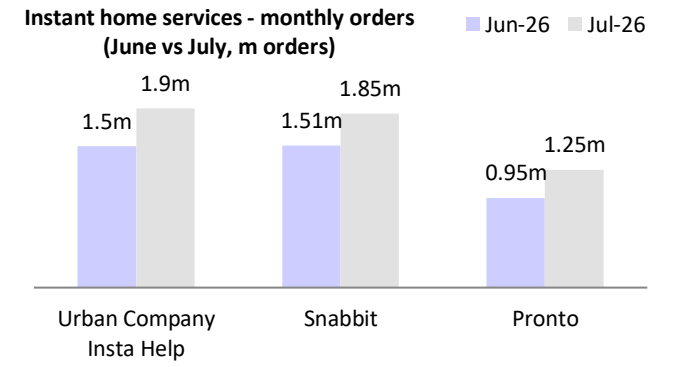
Source: MOFSL

Too early to compare cash burn across players; steady-state economics could vary materially from current levels



Source: Company, MOFSL

Top two players appear to be neck and neck in terms of monthly order volumes



Source: Industry, MOFSL

In conversation



JSW Greentech : Targets Rs 12,000 Cr Topline With Rs 2,500 Cr Investment; Parth Jindal, Director

- Capacity to manufacture 15,000 electric trucks and buses
- Deliveries to begin from next month
- See Rs 12,000 crore topline with Rs 2,500 crore investment

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Tata Steel's : Saw 17% Growth In SUVs, 20% In Tractors Since GST Rationalisation; Rajesh Jejurikar, ED & CEO

- Saw 17% growth in SUVs, 20% in LCVs and 20% in tractors since GST rationalisation
- Without GST cuts, volatile input prices could have driven inflation much higher
- Believe the EV category is set for growth; Adding 4,000 units of capacity by March 2027

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Syrma SGS Technology : $600 Million Semiconductor Capex Possible, But Partner Deal Is Key; Jasbir Singh Gujral, MD

- Capex of $200–600 million if a technology partnership materialises
- The company is targeting PCB manufacturing by end-March 2027, followed by CCL, camera modules and high-end magnetics.
- Management has also reaffirmed 30%+ revenue and EBITDA growth guidance for FY27

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Puravankara : Puravankara Enters Greater Noida: ₹5,200 Cr GDV, 4.5 Mn Sq Ft Project Explained; Rajat Rastogi, CEO

- ₹25,000 crore FY27 business-development target, pricing momentum and 25–30% EBITDA margin guidance.
- Puravankara is making a major entry into the Delhi NCR real estate market with a 13.4-acre Greater Noida land parcel carrying an estimated ₹5,200 crore GDV and 4.5 million sq ft saleable potential.

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NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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