

EBITDA & PAT Beat, Product Premiumization and EVs to Drive Growth

Est. Vs. Actual for Q3FY25: Revenue— **INLINE**; EBITDA — **BEAT**; PAT— **BEAT**
Change in Estimates post Q3FY25

FY25E/FY65E: Revenue: -1%/-1.5%; EBITDA: -0.3%/-0.4%; PAT: -0.9%/-0.6%.

Recommendation Rationale

- **Long-term Growth Strategy:** Hero MotoCorp's (Hero) strategy for 2030 is built on four key growth pillars: strengthening its core business, excelling in the premium segment, leading in electric vehicles (EVs), and diversifying revenue streams. Anchored by the 4S mantra—speed, scale, synergy, and simplification—the strategy also focuses on creating a future-ready organisation and advancing environmental, social, and governance (ESG) initiatives. As part of its ongoing portfolio reshaping, the company introduced four new models at Bharat Mobility, positioning itself for sustained growth.
- **New Product Launches:** Product launches in premium scooters and EVs will drive growth, with new models planned for Q4FY25 and FY26. The company is expanding its sub-Rs 1 Lc EV lineup with the Vida V2 platform, reinforcing its position in the mass-market scooter segment. New premium motorcycles like the Xpulse 210 and Xtreme 250R have received strong market feedback, while upcoming launches, including the Xoom 125, Xoom 160, and Destini 125, will further strengthen Hero's scooter portfolio.
- **EBITDA Margins:** Hero achieved over Rs 10,000 EBITDA per vehicle, driven by a richer product mix and judicious pricing strategies. The EBITDA margin for the ICE segment stood at 16%, down 50 bps QoQ, primarily due to higher marketing and advertisement expenses linked to the festive season. The company aims to maintain overall EBITDA margins in the range of 14-16% in the medium term, supported by a richer product mix—EVs and higher cc motorcycles, continued product premiumisation, lower material costs, and improved operational efficiencies, especially in the EV segment.

Sector Outlook: Positive on 2W.

Company Outlook & Guidance: The company has strengthened its domestic position in the 125cc segment, increasing its market share from 14% to over 21%. Hero has also enhanced its premium offerings, which are supported by a strong framework for scaling up its premium business. Additionally, its global business is rapidly expanding, with parts, accessories, and merchandise segments delivering record revenue, highlighting its continued growth potential. Hero maintains a long-term EBITDA margin guidance of approximately 14-16%.

Current Valuation: 19x on core FY27E EPS (unchanged), Ather 1.5x FY24 and Hero Fincorp 1.5x at FY24 P/B.

Current TP: Rs 5,285/share (Earlier TP: Rs 5,250/share).

Recommendation: We maintain our **BUY** rating on the stock.

Financial Performance

In Q3FY25, the company reported revenue of Rs 10,211 Cr (in line with expectations), up 5% YoY and down 2.6% QoQ, driven by flat YoY and down 3.7% QoQ volumes, along with higher ASP. EBITDA stood at Rs 1,476 Cr (beat), up 8.4% YoY and down 2.6% QoQ, with margins at 14.5%, up 45 bps YoY and nearly flat QoQ. This performance was supported by a richer product mix, increased exports (up 40% YoY), and EV sales. Reported PAT came in at Rs 1,203 Cr (8.8% beat), up 12.1% YoY and flat QoQ, primarily driven by EBITDA growth and higher other income.

Key Financials (Standalone)

(Rs Cr)	Q3FY25	QoQ (%)	YoY (%)	Axis Est.	Variance
Net Sales	10,211	-2%	5.0%	10,042	2%
EBITDA	1,476	-3%	8.4%	1,417	4%
EBITDA Margin (%)	14.5%	-3 bps	45 bps	14.1%	35 bps
Reported Net Profit	1,203	0%	12.1%	1,106	9%
Reported EPS (Rs)	60.1	0%	12.0%	55.3	9%

Source: Company, Axis Securities Research

(CMP as of 7th February 2025)

CMP (Rs)	4,278
Upside /Downside (%)	24%
High/Low (Rs)	6,245/3,999
Market cap (Cr)	85,562
Avg. daily vol. (6m) Shrs.	704,393
No. of shares (Cr)	20.00

Shareholding (%)

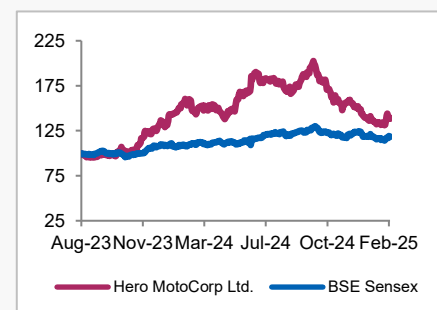
	Jun-24	Sep-24	Dec-24
Promoter	34.76	34.75	34.74
FII's	29.86	29.59	27.94
MF's / UTI	13.75	14.57	16.12
DII's	0.11	0.11	0.13
Others	21.52	20.98	21.07

Financial & Valuations

Y/E Mar (Rs Cr)	FY25E	FY26E	FY27E
Net Sales	40,871	43,987	47,609
EBITDA	5,858	6,313	6,765
Net Profit	4,634	4,973	5,311
EPS (Rs.)	232.0	248.9	265.8
PER (x)	18.3	17.1	16.0
EV/ EBITDA	14.4	13.0	11.8
P/BV (x)	4.2	3.8	3.4
RoE (%)	22.8	22.1	21.3

Change in Estimates (%)

Y/E Mar	FY25E	FY26E	FY27E
Sales	-1.0%	-1.5%	-1.5%
EBITDA	-0.3%	-0.4%	-0.4%
PAT	-0.9%	-0.6%	-0.5%

Relative performance


Source: ACE Equity, Axis Securities Research

Shridhar Kallani

Auto Analyst

Email: shridhar.kallani@axissecurities.in

Outlook

We are monitoring (1) Hero's roadmap in the EV product portfolio, including investments in Ather, the ramp-up of VIDA V2, and the launch of the sub-Rs 1 Lc Vida V2 Lite catering to mass markets; (2) Strategy in the mid-weight MC segment amidst growing competition; (3) Expansion into new international markets. Additionally, government initiatives to enhance rural income, higher disposable income (as announced in the recent Union Budget), and the marriage season are expected to drive 2W industry growth, benefiting Hero, particularly in the entry and 125cc segments. Consequently, we estimate an 8%/9%/9% CAGR in Revenue/EBITDA/PAT over FY24-27E.

Valuation & Recommendation

We value the stock at 19x P/E on core FY27E EPS (unchanged), with Ather valued at 1.5x FY24 and Hero Fincorp at 1.5x FY24 P/B, arriving at a TP of Rs 5,285/share (from Rs 5,250/share). We maintain a BUY rating on the stock, projecting a 24% upside from the CMP.

Key Concall Highlights

- **Financing Arm:** Hero FinCorp's loan book increased to Rs 55,500 Cr, up 13% YoY, but lower collection efficiency in personal loans led to a 150 bps rise in credit cost. The segment's profitability was impacted, with the company focusing on strengthening collections, which showed relative improvement in December and January.
- **EV scale-up and Vida V2:** Hero MotoCorp's Vida V2 platform, including the V2 Lite (sub-Rs 1 lakh), targets the 60% mass-market Scooter segment. Sales dipped during the V1 to V2 transition, but demand is picking up from Feb'25. During this transition, the company sought product BoM (Bill of Materials) cost reduction. Hero has expanded its EV reach to 100+ cities, aiming for 200+ by FY26, with PLI compliance in the pipeline set to improve costs. With localisation and a more substantial retail and charging network, we expect Hero to gain market share
- **Market share:** Hero's overall market share expanded by 520 bps QoQ to 32.8%, supported by strong sales in the Deluxe 125cc segment, where Splendor and Xtreme 125R led with a combined market share increase from 13% in Q4 FY24 to over 20% in Q3 FY25.
- **Change in Leadership:** Hero had announced several key leadership changes. Mr Vikram Kasbekar has been appointed the Acting CEO, succeeding Mr Niranjan Gupta. Mr Ram Kuppuswamy has been elevated to COO of Manufacturing. Mr. Ashutosh Varma will now lead the India Business Unit as CBO, taking over from Mr. Ranjivjit Singh. Additionally, Mrs. Jyoti Singh will assume the role of Deputy CHRO.
- **Harley Davidson:** Hero continues its partnership with Harley Davidson, expanding the X440 platform and developing a new premium motorcycle in the pipeline. Exports are planned, leveraging Harley's global network, with further product announcements expected in the near term.
- **Xoom Scooters:** Hero expanded its scooter line-up with Xoom 125 (with larger 14-inch wheels) and Xoom 160 (with a liquid-cooled motor). The 160cc segment is relatively untapped in the mass markets (except for minor offerings from Yamaha and Aprilia), presenting a newer market opportunity. Initial demand trends indicate strong traction for both models.
- **Budget:** The management believes that the recent budget's tax relief will increase disposable income for average earners. This positive cash impact is expected to help consumers manage their financial obligations, potentially covering the EMI payments for their two-wheelers and boosting demand in the coming year.
- **OBD2 Compliance:** Hero is transitioning to OBD2 Phase B, with 1-2% price increases expected across models due to additional hardware costs. Management stated that the company is on track to meet the deadline of April 1, 2025, ensuring minimal disruption to production and sales.
- **Parts, Accessories, and Merchandise:** Revenue from parts, accessories, and merchandise amounted to Rs 1,555 Cr in Q3, representing a 9% YoY growth.
- **Stores:** As of December 2024, Hero had launched 60 Premia stores catering to premium customers. To drive higher customer engagement and premium positioning, Hero plans to reach 100 stores by the end of FY25. Hero has upgraded 700+ Hero 2.0 stores in under 700 days. EV outlets now cover 100+ cities, with plans to double by FY26.

Key Risks to Our Estimates and TP

- Any further loss in Market share, which is down 100bps market share in H1FY25 vs FY24.
- Failure to grow volumes in the EV space could drive derating.

Change in Estimates

	Revised			Old			% Change		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Sales Volume ('000 units)	5.96	6.29	6.68	6.02	6.39	6.78	-1.0%	-1.5%	-1.5%
Sales	40,871	43,987	47,609	40,974	44,157	47,783	-0.3%	-0.4%	-0.4%
EBITDA	5,858	6,313	6,765	5,914	6,349	6,802	-0.9%	-0.6%	-0.5%
PAT	4,634	4,973	5,311	4,622	5,000	5,340	0.3%	-0.5%	-0.5%
EPS	232.0	248.9	265.8	231.4	250.3	267.3	0.2%	-0.6%	-0.5%

Source: Company, Axis Securities Research

Q3FY25 Results Review

YE March (Rs Cr)	Q3FY25	Axis Sec Estimates	Axis Sec Var (%)	Q2FY25	QoQ (%)	Q3FY24	YoY (%)
Total Revenue	10,211	10,042	1.7%	10,463	-2.4%	9,724	5.0%
ASP (Rs/Vehicle)	69,756	68,602	1.7%	68,852	1.3%	66,604	4.7%
Less:							
Net Raw Material consumed	6,715	6,708	0.1%	6,979	-3.8%	6,547	2.6%
Other Exp.	1,357	1,255	8.1%	1,314	3.2%	1,213	11.9%
Personnel	662	662	0.1%	654	1.3%	602	10.1%
Total Expenditure	8,734	8,625	1.3%	8,947	-2.4%	8,362	4.5%
EBIDTA	1,476	1,417	4.2%	1,516	-2.6%	1,362	8.4%
Less: Depreciation	197	207	-5.0%	194	1.7%	183	7.9%
EBIT	1,280	1,210	5.8%	1,322	-3.2%	1,180	8.5%
Less: Interest	5	5	18.21%	5	10.5%	5	20.6%
Other Income	318	270	17.7%	283	12.2%	242	31.2%
Profit Before Extraordinary Items and Tax	1,592	1,475	7.9%	1,600	-0.5%	1,417	12.3%
Extraordinary Expense/(Income)	-	-	NA	-	NA	-	NA
Profit Before Tax	1,592	1,475	7.9%	1,600	-0.5%	1,417	12.3%
Less: Total Tax	389	369	5.5%	397	-2.0%	344	13.1%
Profit After Tax	1,203	1,106	8.8%	1,204	-0.1%	1,073	12.1%
Adj. Net Profit	1,203	1,106	8.8%	1,204	-0.1%	1,073	12.1%
Shares Outstanding (Cr)	20	20	0.0%	20	0.0%	20	0.1%
Reported EPS (Rs.)	60.1	55.3	8.8%	60.2	-0.1%	53.7	12.0%
Adj. EPS (Rs.)	60.1	55.3	8.8%	60.2	-0.1%	53.7	12.0%

Cost & Margin Analysis	Q3FY25E	Axis Sec Estimates	Change in bps	Q2FY25	Change in bps	Q3FY24	Change in bps
Net Raw Material/Net Sales (%)	66%	67%	-103	67%	(94)	67%	(156)
Other Exp./Net Sales (%)	13%	13%	79	13%	73	12%	81
Personnel/Net Sales (%)	6%	7%	-11	6%	24	6%	30
Gross Margin (%)	34%	33%	103	33%	94	33%	156
EBITDA Margin (%)	14.5%	14.1%	35	14.5%	(3)	14.0%	45
EBIT (%)	13%	12%	49	13%	(10)	12%	40
PBT Margin (%)	16%	15%	90	15%	29	15%	101
NPM (%)	12%	11%	77	12%	28	11%	74
Adj. NPM (%)	12%	11%	77	12%	28	11%	74
Effective Tax Rate (%)	24%	25%	-57	25%	(36)	24%	18

Source: Company, Axis Securities Research

Financials (Standalone)

Profit & Loss

(Rs Cr)

Y/E March (Rs Cr)	FY24	FY25E	FY26E	FY27E
Net revenues	37,456	40,871	43,987	47,609
Operating expenses	32,194	35,013	37,674	40,844
EBIDTA	5,261	5,858	6,313	6,765
EBITDA margin (%)	14.0	14.3	14.4	14.2
Other income	886	1,102	1,111	1,111
Interest	19	20	20	21
Depreciation	711	765	774	774
Profit Before Tax	5,418	6,175	6,630	7,082
Tax	1,290	1,443	1,658	1,770
Reported Net Profit	3,968	4,732	4,973	5,311
Net Margin (%)	10.6	11.6	11.3	11.2
Adjusted Net Profit	4,127	4,634	4,973	5,311

Source: Company, Axis Securities Research

Balance Sheet

(Rs Cr)

Y/E March (Rs Cr)	FY24	FY25E	FY26E	FY27E
Equity Capital	40	40	40	40
Reserves & surplus	17,946	19,979	22,253	24,866
Shareholders' funds	17,986	20,019	22,293	24,906
Total Loans	0	0	0	0
Deferred tax liability	435	435	435	435
Total Liabilities and Equity	18,421	20,454	22,728	25,341
Gross block	12,465	13,445	14,195	14,695
Depreciation	6,631	7,396	8,170	8,944
Net block	5,834	6,049	6,025	5,752
Capital WIP	481	500	250	250
Investments	13,086	13,486	13,886	14,286
Inventory	1,444	1,680	1,687	1,826
Debtors	2,703	3,247	3,374	3,652
Cash & Bank Bal	609	509	2,894	5,312
Loans & Advances	1,415	2,092	1,777	1,886
Current Assets	6,171	7,528	9,732	12,675
Sundry Creditors	5,528	5,487	5,544	6,000
Other Current Liability	1,622	1,622	1,622	1,622
Current Liability & Provisions	7,151	7,109	7,166	7,622
Net current assets	-980	419	2,566	5,053
Total Assets	18,421	20,454	22,728	25,341

Source: Company, Axis Securities Research

Cash Flow

(Rs Cr)

Y/E March (Rs Cr)	FY24	FY25E	FY26E	FY27E
EBIT	4,550	5,093	5,539	5,991
Other Income	886	1,102	1,111	1,111
Depreciation & Amortization	711	765	774	774
Interest paid (-)	-19	-20	-20	-21
Tax paid (-)	-1,290	-1,443	-1,658	-1,770
Extra Ord Income	-159	0	0	0
Operating Cash Flow	4,679	5,497	5,747	6,085
Change in Working Capital	1,118	-1,498	237	-69
Cash flow from Operations	5,797	3,998	5,984	6,016
Capex	-801	-1,000	-500	-500
Strategic Investment	0	0	0	0
Non-Strategic Investment	-2,076	-400	-400	-400
Cash flow from Investing	-2,876	-1,400	-900	-900
Change in borrowing	0	0	0	0
Others	41	-0	0	-0
Dividends paid (-)	-2,699	-2,699	-2,699	-2,699
Cash Flow from Financial Activities	-2,657	-2,699	-2,699	-2,699
Change in Cash	263	-100	2,385	2,418
Opening cash	346	609	509	2,894
Closing cash	609	509	2,894	5,312

Source: Company, Axis Securities Research

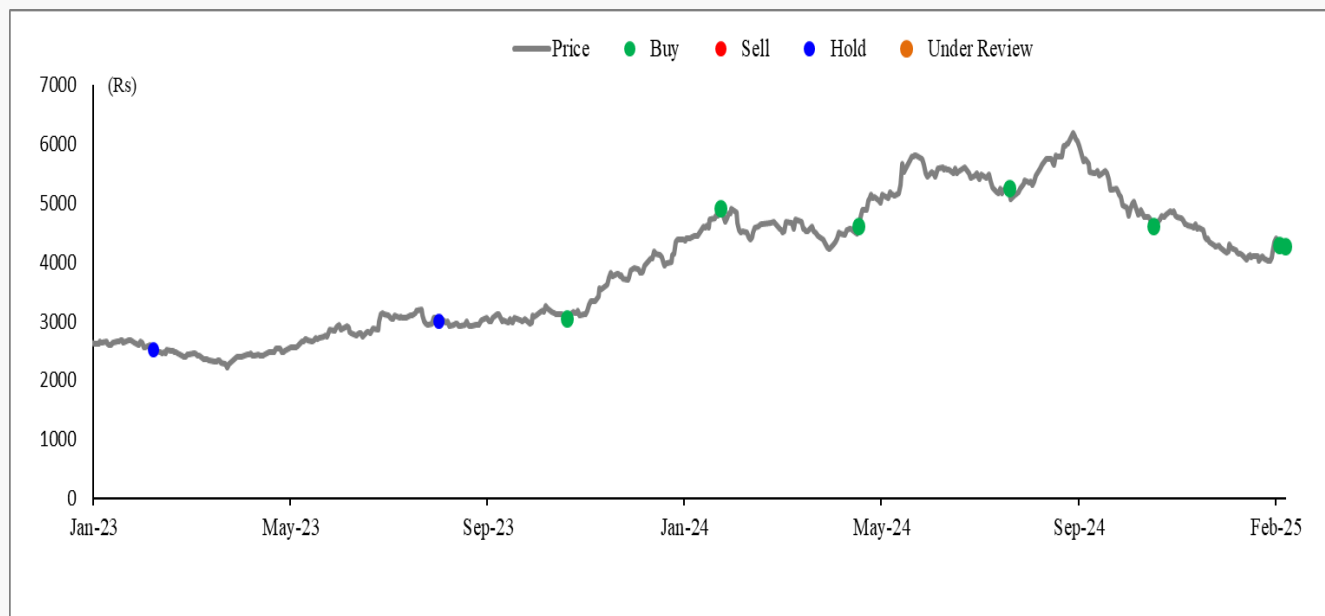
Ratio Analysis

(%)

Y/E March (Rs Cr)	FY24	FY25E	FY26E	FY27E
Revenue Growth	10.8	9.1	7.6	8.2
EBITDA Margin	14.0	14.3	14.4	14.2
Net Profit Margin	11.0	11.3	11.3	11.2
ROCE (%)	21.7	22.4	21.7	21.0
ROE (%)	22.1	22.8	22.1	21.3
EPS (Rs)	198	232	249	266
P/E (x)	22.9	18.3	17.1	16.0
P/ BV (x)	5.3	4.2	3.8	3.4
EV/ EBITDA (x)	17.8	14.4	13.0	11.8
Fixed Assets Turnover Ratio (x)	5.9	6.2	7.0	7.9
Debt / Equity (x)	0.0	0.0	0.0	0.0
EV/ Sales (x)	2.5	2.1	1.9	1.7

Source: Company, Axis Securities Research

Hero Motocorp Recommendation History



Date	Reco	TP	Research
09-Feb-23	HOLD	2,790	Result Update
08-May-23	BUY	2,900	Result Update
14-Aug-23	HOLD	3,150	Result Update
03-Nov-23	BUY	3,370	Result Update
12-Feb-24	BUY	5,500	Result Update
09-May-24	BUY	5,530	Result Update
14-Aug-24	BUY	6,015	Result Update
18-Nov-24	BUY	5,845	Result Update
03-Feb-25	BUY	5,250	Top Picks
10-Feb-25	BUY	5,285	Result Update

Source: Axis Securities Research

DISCLAIMER:

Axis Securities Limited is a subsidiary company of Axis Bank Ltd. Axis Bank Ltd. is a listed public company and one of India's largest private sector banks and has its various subsidiaries engaged in businesses of Asset management, NBFC, Merchant Banking, Trusteeship, Venture Capital, Stock Broking, the details in respect of which are available on www.axisbank.com.

Axis Securities Limited, is registered as a

- Stock Broker, Depository Participant, Portfolio Manager, Investment Adviser and Research Analyst with Securities and Exchange Board of India
- Corporate Agent with Insurance Regulatory and Development Authority of India
- Point of Presence with Pension Fund Regulatory and Development Authority
- Distributor for Mutual Funds with AMFI

Registration Details:

SEBI Single Reg. No.- NSE, BSE, MSEI, MCX & NCDEX – INZ000161633 | SEBI Depository Participant Reg. No. IN-DP-403-2019 | Portfolio Manager Reg. No.- INP000000654 | Investment Advisor Reg No. INA000000615 | SEBI-Research Analyst Reg. No. INH000000297 | IRDA Corporate Agent (Composite) Reg. No. CA0073 | PFRDA – POP Reg. No. POP387122023 | Mutual Fund Distributor ARN- 64610.

Compliance Officer Details: Name – Mr. Maneesh Mathew, Tel No. – 022-68555574, Email id – compliance.officer@axisdirect.in;

Registered Office Address – Axis Securities Limited, Unit No.002, Building- A, Agastya Corporate Park, Piramal Realty, Kamani Junction, Kurla (W), Mumbai – 400070.

Administrative office address: Axis Securities Limited, Aurum Q Parc, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane – Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710.

In case of any grievances please call us at 022-40508080 or write to us helpdesk@axisdirect.in.

We hereby declare that our activities were neither suspended nor we have defaulted with any stock exchange authority with whom we are registered in last five years. However, SEBI, Exchanges, Clearing Corporations and Depositories etc. have conducted the routine inspection and based on their observations have issued advise/warning/show cause notices/deficiency letters/ or levied penalty or imposed charges for certain deviations observed in inspections or in normal course of business, as a Stock Broker / Depository Participant/Portfolio Manager. We have not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point of time.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

By referring to any particular sector, Axis Securities does not provide any promise or assurance of favourable view for a particular industry or sector or business group in any manner.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors. Our research should not be considered as an advertisement or advice, professional or otherwise. This research report and its respective content by Axis Securities made available on this page or otherwise do not constitute an offer to sell or purchase or subscribe for any securities or solicitation of any investments or investment services for the residents of Canada and / or USA or any jurisdiction where such an offer or solicitation would be illegal.

Subject company(ies) may have been client during twelve months preceding the date of distribution of the research report. Derivatives are a sophisticated investment device. The investor is requested to take into consideration all the risk factors before actually trading in derivative contracts.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment of its original date of publication by ASL and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments.

The information and opinions in this report have been prepared by Axis Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of Axis Securities. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite, investment objective or the particular circumstances of an individual investor. The investor is requested to take into consideration all the risk factors including their financial condition, suitability to risk return profile and the like and take professional advice before investing.

While we would endeavour to update the information herein on a reasonable basis, Axis Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Axis Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or Axis Securities policies, in circumstances where Axis Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained in good faith from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Axis Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Axis Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Axis Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months. Axis Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction. Axis Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months. Axis Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. Axis Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither Axis Securities nor Research Analysts and / or their relatives have any material conflict of interest at the time of publication of

this report. Please note that Axis Securities has a proprietary trading desk. This desk maintains an arm's length distance with the Research team and all its activities are segregated from Research activities. The proprietary desk operates independently, potentially leading to investment decisions that may deviate from research views.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

Research Analyst may have served as an officer, director or employee of subject company(ies). Axis Securities or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report. Since associates of Axis Securities and Axis Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report. Axis Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Certain transactions -including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Reports based on technical analysis centres on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

We and our affiliates/associates, officers, directors, and employees, Research Analyst(including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of Research Report or at the time of public appearance. Axis Securities may have proprietary long/short position in the above mentioned scrip(s) and therefore may be considered as interested. This should not be construed as invitation or solicitation to do business with Axis Securities. Axis Securities is also a Portfolio Manager. Portfolio Management Team (PMS) takes its investment decisions independent of the PCG research and accordingly PMS may have positions contrary to the PCG research recommendation.

RATING SCALE: Definitions of ratings

Ratings	Expected absolute returns over 12 – 18 months
BUY	More than 10%
HOLD	Between 10% and -10%
SELL	Less than -10%
NOT RATED	We have forward looking estimates for the stock, but we refrain from assigning valuation and recommendation.
UNDER REVIEW	We will revisit our recommendation, valuation and estimates on the stock following recent events
NO STANCE	We do not have any forward-looking estimates, valuation or recommendation for the stock

Note: Returns stated in the rating scale are our internal benchmark.