Institutional Equities | Technology

Choice Institutional Equities

Q1FY27 Result Update

ESDS: Stable Q1; Valuation Limits Upside

SELL

September 25, 2026 | CMP: INR 1,758 | Target Price: INR 1,550

Expected Share Price Return: -11.8% I Dividend Yield: 0.0% I Potential Upside: -11.8%

Sector View: Positive

Change in Estimates	✓
Target Price Change	✗
Recommendation	✓

Company Info	
BB Code	ESDS IN EQUITY
Face Value (INR)	1.0
52-w High/Low (INR)	1,824/746
Mkt Cap (Bn)	INR 209.6/ $2.2
Shares o/s (Mn)	117.2
3M Avg. Daily Volume	52,37,923

Change in Estimates

	FY27E			FY28E		
INR Bn	New	Old	Dev. (%)	New	Old	Dev. (%)
Revenues	18.8	22.6	(17.0)	45.8	45.8	0.0
EBITDA	3.7	4.1	(9.1)	9.4	9.4	0.0
EBITDAM %	19.9	18.1	(173) bps	20.6	20.6	0 bps
EPS	18.6	21.5	(13.4)	49.3	49.3	0.0

Actual vs CIE Estimates

INR Bn	Q1FY27A	CIE Est.	Dev.%
Revenue	1.3	1.3	(2.0)
EBITDA	0.5	0.5	(2.8)
EBITDAM %	41.9	42.2	(30) bps
PAT	0.3	0.3	(3.0)

Key Financials

INR Bn	FY25	FY26	FY27E	FY28E	FY29E
Revenue	3.6	4.7	18.8	45.8	50.9
YoY (%)	26.1	30.7	297.3	144.2	11.2
EBITDA	1.5	2.4	3.7	9.4	12.3
EBITDAM %	42.9	50.8	19.9	20.6	24.2
PAT	0.6	1.2	2.2	5.8	7.2
EPS (INR)	5.8	12.0	18.6	49.3	61.4
ROE %	17.3	25.1	22.0	33.5	30.3
ROCE %	24.5	33.7	26.9	40.6	37.3

Shareholding Pattern (%)v

	Sep-26
Promoters	39.46
FIIs	1.01
DIIs	8.50
Public	51.00

ESDS_Initiating Coverage

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Strong structural opportunity, near-term risk-reward turns less favourable

ESDS reported in-line numbers, with the core standalone business remaining stable. However, the **delayed Sharon AI deployment pushes the key AI-led revenue contribution from October to November** and increases near-term execution risk. We remain constructive on the longer-term opportunity from sovereign cloud, AI infrastructure and rising GPU demand, supported by ESDS' ~INR 30,000 Mn domestic order book and >50,000-GPU international pipeline. That said, conversion of the pipeline, deployment timelines and utilisation remain key variables, while the sharp scale-up in GPU capacity could also raise execution and funding requirements. We reduce FY27E revenue/PAT by 17%/13.5%, while retaining FY28E estimate. **The management highlighted that incremental GPU capacity funded through IPO proceeds is expected to be operational by Q4FY27, with billing commencing from Q1FY28 should boost the domestic business revenue.** We continue to value ESDS at 18x FY28E EV/EBITDA, with DCF as a sanity check and **maintain our TP of INR 1,550. At CMP, the stock trades ~310% above its IPO price band, leaving ~12% downside to our TP; hence, we assign 'SELL', reflecting elevated near-term expectations and limited valuation headroom.**

Revenue & EBITDAM in-line with estimates

- Revenue for Q1FY27 stood at INR 1,336 Mn, down 20.2% QoQ but up 7.2% YoY (vs CIE est. at USD 1,363 Mn).
- EBITDA for Q1FY27 came in at INR 559 Mn, down 45.5% QoQ but up 6.6% YoY (vs CIE est. at INR 575 Mn). EBITM was down 1940 bps QoQ and 20 bps YoY to 41.9% (vs CIE est. at 42.2%)
- PAT for Q1FY27 stood at INR 292 Mn, down 56.8% QoQ but up 13.8% YoY (vs CIE est. at INR 299 Mn)

Sharon AI ramp-up delayed, but pipeline remains strong

In Q1FY27, ESDS reported revenues of INR 1,336 Mn. **The QoQ revenue decline primarily reflects the absence of INR 850 Mn one-off technical design revenue booked by subsidiary SPOC Hub in FY26, with majority recognised in Q4FY26.** The management continues to favour bundled IaaS, Managed Services and SaaS offering to deepen customer integration. The Sharon AI deal has secured INR 1,100–1,200 Cr in customer advances, to be recognised from Q3FY27. **Amid tight global GPU and component supply, ESDS is strategically timing capacity commitments to capture higher prevailing leasing rates.**

AI ramp-up dilutes margin; domestic growth to drive recovery

Q1FY27 EBITDAM remained robust at 42%, **but we expect margin to moderate as the lower-margin Sharon AI contract ramps up.** While SaaS remains the most profitable segment, IaaS margin is already >50% and should benefit from increasing AI infrastructure utilisation. The management targets 15–20% PATM on large international GPU contracts, supported by premium pricing and 12–18 months of advance payments. We bake in margin towards the lower end of this range, given the initial Sharon AI mix and ramp-up profile. Thereafter, **we expect margin recovery as the higher-margin domestic business scales up, GPU utilisation improves and operating leverage builds up, with EBITDAM reaching 24.2% by FY29E. Thus, near-term margin dilution should precede a gradual recovery as the business mix normalises.**

ESDS	Q1FY27	Q4FY26	QoQ (%)	Q1FY26	YoY (%)
Revenues (INR Mn)	1,336	1,675	-20.2	1,246	7.2
EBITDA (INR Mn)	559	1,026	-45.5	525	6.6
EBITDA Margin (%)	41.9	61.2	(1937) bps	42.1	(23) bps
Depreciation	185	171	8.2	153	20.5
EBIT (INR Mn)	375	855	-56.2	371	0.9
Interest	26	27	-5.5	36	-28.2
PBT	364	853	-57.3	347	5.0
Tax	72	176	-59.3	90	-20.1
PAT (INR Mn)	292	677	-56.8	257	13.8
EPS (INR)	2.9	6.6	-56.7	2.5	13.5

Source: ESDS, Choice Institutional Equities

Management Call – Highlights

Q1 revenue fell 20.2% QoQ, mainly due to Q4's one-time technical design revenue

IaaS contributed 51%, Managed Services 31.31%, and SaaS 17.55% of revenue

Sydney AI Factory deployment of 8,200 B300 GPUs shifted to November 2026

Internal GPU capacity will reach 1,500 units by January/February 2027

GPU compute pricing targets USD 5–6 hourly, supporting 15–20% PAT margin

Global pipeline exceeds 50,000 GPUs, while domestic orders reach INR 30,000 Mn.

SWARAJ Cloud expanded with Garuda and Jatayoo monitoring tools

The management avoids annual guidance, reporting audited quarterly results instead

1. Financial Highlights & Revenue Mix

- **Sequential Revenue Variation**: Total income reached INR 1,351.71 Mn. The 20.2% QoQ revenue drop as compared to Q4FY26 was due to a non-recurring one-off technical design revenue (INR 850 Mn) recorded in FY26 for designing Sharon AI's Sydney data center cluster
- **Segmental Breakdown**: Infrastructure as a Service (IaaS) contributed 51.2% of total Q1FY27 revenue, Managed Services made 31.3% and SaaS accounted for 17.5%

2. GPU Strategy & Execution Timelines

- **Sharon AI / Sydney AI Factory Deal**: Deployment of 8,200 advanced B300 GPUs at the GreenSquare SYD1 data center in Sydney experienced a short delay, with go-live shifted to early November 2026 and revenue flow starting in Q3FY27
- **In-house GPU Capacity Scaling**: ESDS is expanding its internal GPU infrastructure from 600–800 units to 1,500 GPUs, targeted for deployment by mid-to-late Q4FY27 (January/February 2027) with billing commencing in Q1FY28
- **Monetisation & Pricing**: GPU compute will be billed at market standard rates of USD 5–6 per GPU per hour. The management targets PAT margin in the 15–20% range for large international GPU infrastructure deals
- **Funding Structure**: Future domestic GPU infrastructure rollouts will be funded using 30% each for customer advances, debt/lending and IPO proceeds

3. Order Book & Market Demand Outlook

- **Massive International Pipeline**: The company is tracking a global opportunity funnel exceeding 50,000 GPUs. The management is deliberately timing capacity blockings to capture rising leasing rates caused by global GPU supply shortages
- **Domestic Business**: Domestic order book stands at INR 30,000 Mn with a 3-year execution timeline, growing at a CAGR of 30% to 40%
- **Customer Preference**: The management favours allocating initial GPU capacity to international clients who offer higher pricing margin and 12 to 18 months of advance payments

4. Operational & Governance Updates

- **Platform Launches**: ESDS expanded its SWARAJ Cloud platform (an Indian autonomous sovereign AI cloud) and introduced two tools: SWARAJ Garuda (application performance monitoring) and SWARAJ Jatayoo (database activity monitoring)
- **AGM Postponement**: The AGM was deferred to apply for an extension from the Registrar of Companies following a sharp post-listing surge to nearly 190,000 shareholders
- **Guidance Policy**: Management reiterated its policy of not providing annual forward-looking financial guidance, preferring to report audited numbers QoQ

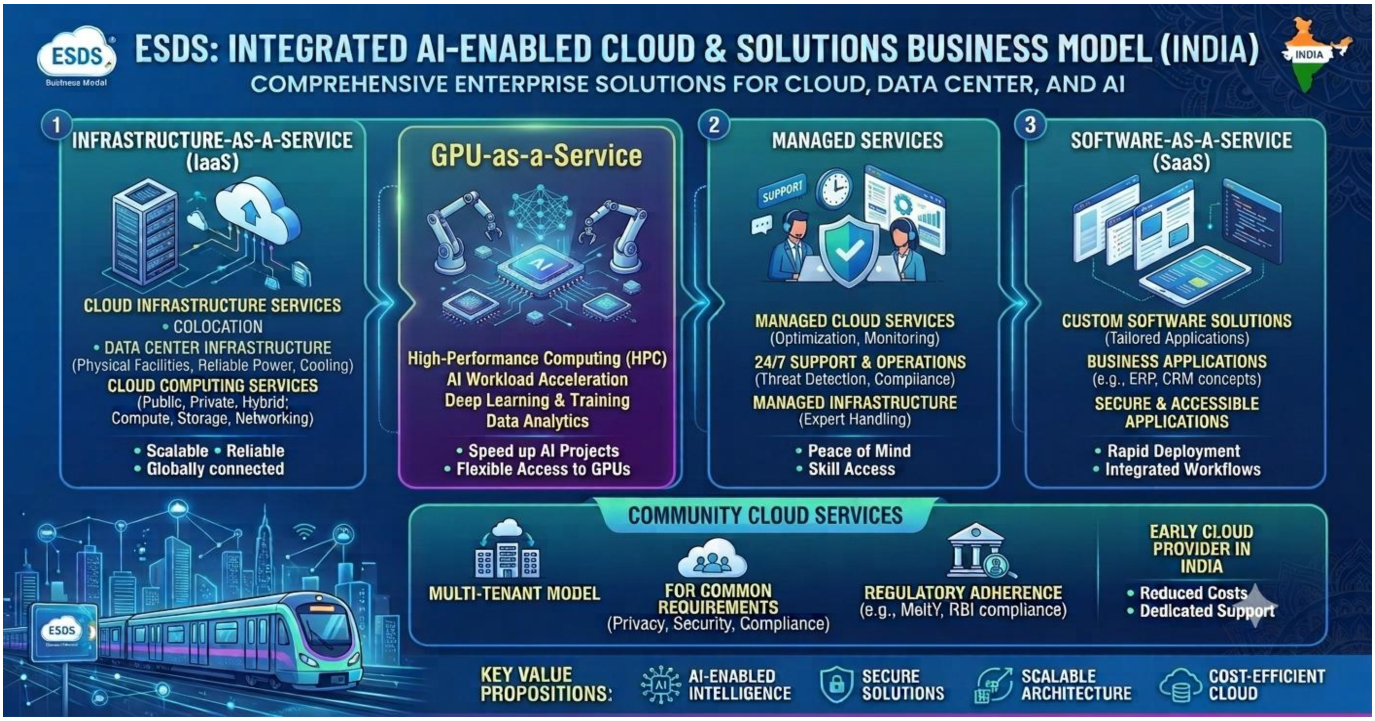
Company Overview

- ESDS is an AI-enabled cloud, managed services, data center infrastructure and software solutions provider in India. It is one of the only two players in India providing the entire spectrum of **GPUaaS (GPU-as-a-Service), cloud, managed services, data center infrastructure and software solutions in India**

- Its offerings include **Infrastructure-as-a-Service (IaaS) comprising colocation, GPU-as-a-Service (GPUaaS), data center and cloud computing services; Managed Services; and Software-as-a-Service (SaaS)**, enabling customers to adopt secure, scalable and cost-efficient cloud solutions.

- ESDS was also among the early cloud service providers in India to offer community cloud services through a multi-tenant model tailored to customers with common privacy, security, compliance and regulatory requirements.

- The company serves a diversified customer base across **BFSI, Government and Enterprises**, with **2,501 customers in FY26**.



Source: ESDS, Choice Institutional Equities

ESDS' Operates 5 Data centers in India

ESDS Data center Portfolio

Operational data centers	**Nashik, Navi Mumbai, Bengaluru, Mohali, Noida**
Aggregate area	**75,266 sq. ft.**
Rack Power Density	**3KW to 20KW**
Certification	Tier III across all 5 DCs
Uptime SLA	99.95% portfolio-wide
Domestic ownership	100% domestically owned
Operations	24×7
Colocation model	Shared racks → dedicated racks → private suites
Connectivity	Multi-ISP / carrier-neutral architecture
Power architecture	Dual utility feeds + redundant UPS + generator backup
Cooling	N+1 precision cooling; hot/cold aisle containment
Fire protection	VESDA + pre-action suppression
Security	Multi-layer physical security + biometric access + 24×7 CCTV
Compliance	ISO, PCI DSS, SOC, MeitY/STQC, TIA-942 etc.
Target workloads	BFSI, Government, Enterprise, Cloud, AI/HPC
Upcoming Data center	Kolkata DC + Ghaziabad DC

Source: ESDS, Choice Institutional Equities

Key Product Offerings

ESDS' Key Product Offerings

Business Segment	Product / Service	What ESDS offers?
Infrastructure-as-a-Service (IaaS)	Colocation & Data center Services	Houses customers' servers, storage and networking infrastructure in ESDS data centers with redundant power, cooling, security and connectivity
	Cloud Services & Computing	ESDS provides Public, Private, Virtual Private, Hybrid and Community Cloud solutions, allowing **enterprises to access computing, storage and networking resources on demand without owning physical infrastructure**. Its portfolio also **includes GPU-as-a-Service (GPUaaS)** for AI/ML and high-performance computing workloads, with a focus on scalability, security, compliance and data sovereignty.
Managed Services	Cloud Managed Services	Cloud administration, monitoring, migration and optimisation
	Data center Managed Services	Day-to-day management and monitoring of IT infrastructure
	Security Managed Services	Cybersecurity, compliance and Security Operations center (SOC) services
	IT Infrastructure & Network Management	Management of servers, networks and IT infrastructure
	Backup & Disaster Recovery	Data backup, recovery and DR solutions
	Managed Database Services	Database administration including **SAP Basis & SAP HANA administration**
	Managed DevOps & Automation	Development/operations automation and application management
Software-as-a-Service (SaaS)	Data center Management	**eMagic** – monitoring and management suite
	Cybersecurity	VTMscan, SWARAJ WAF, SWARAJ Web VPN
	Cloud Storage	SCOS – SWARAJ Cloud Object Storage
	IoT	SWARAJ IoT
	Communication	SWARAJ Meet
	Government Software	IPeG & IPAS
	Low-code Development	Low-code Magic
	Other Vertical SaaS	Healthcare, lending, education, agriculture and document digitisation solutions
AI Stack	SWARAJ Bodhi – AIOps	GPU fleet management, ML pipelines, distributed training, model serving, governance and GPU cost tracking
	SWARAJ Garuda – APM	Application performance monitoring, transaction tracing, database/Kubernetes monitoring and AI-driven root-cause analysis
Cybersecurity / SWARAJ Security	SWARAJ Nandi – PAM	Privileged access management, credential vaulting, session monitoring/recording and behavioural analytics
	SWARAJ Jatayoo – DAM	Database activity monitoring, anomaly detection, risk scoring and access controls
	SWARAJ Hansa – SIEM	AI-agentic security monitoring, threat detection, risk scoring, threat intelligence and automated ticketing
Digital Marketplace	SPOCHUB	Marketplace hosting ESDS's own and third-party software applications

Source: ESDS, Choice Institutional Equities

Landmark contract provides significant revenue visibility

ESDS × Australia-based Neocloud — AI Infrastructure Deal Timeline

1. 31 Mar 2026 | Contract Signed

- TCV of USD 1.25-Bn, 5-year AI infrastructure contract, with a potential 2-year extension
- Mandate covers dedicated AI infrastructure deployment and managed operations

2. Q3FY27 | Infrastructure Build-Out

- Deployment of a dedicated Australian AI cluster comprising ~8,208 NVIDIA B300 GPUs, storage and related infrastructure within an existing data-center facility
- ESDS/SPOCHUB to manage deployment and ongoing infrastructure operations

3. Nov 2026E | Targeted Go-live

AI cluster targeted for completion and deployment by October 2026, enabling dedicated large-scale AI compute for the customer.

4. Q1FY28E | Revenue Commencement

Monthly recurring service revenue expected to begin upon deployment/go-live, converting the infrastructure build-out into a long-term contracted revenue stream.

5. FY27–FY32E | Long-term Growth Opportunity

5-year contracted revenue visibility, with a potential 2-year extension, while strengthening ESDS/SPOCHUB's credentials in hyperscale GPU deployments and global AI infrastructure.

- The USD-1.25 Bn AI infrastructure agreement represents a step-change in revenue visibility, equivalent to ~25x FY26 revenue, while the INR 11.8 Bn advance demonstrates tangible customer commitment. The 5-yr term and ~8,208 NVIDIA B300 GPUs, to be deployed within an existing data-center facility in Australia, provide a contracted bridge into AI infrastructure.
- **We believe successful execution could materially accelerate growth and reshape ESDS's earnings mix towards AI infrastructure, although deployment timelines, revenue recognition, GPU utilisation and sustainable margin remain key variables. Revenue commencement is expected from Q3FY27, meriting close monitoring.**

The IPO-funded capacity expansion provides the physical infrastructure

- ESDS operates 5 Tier-3 data centers spanning 75,266+ sq. ft., supported by redundant power system, disaster-recovery capabilities and 24/7 operations. **The IPO therefore augments an established infrastructure platform rather than requiring ESDS to build capabilities from scratch.**
- The IPO should materially enhance ESDS's capacity to support growth, with incremental GPU compute, storage and networking strengthening its existing cloud and managed-services platform. This additional capacity should provide operating headroom as demand increasingly shifts towards AI workloads.

Utilisation of funds across key infrastructure and business requirements

Use of Funds	Key equipment / scope	Key vendors	Estimated cost (INR Mn)	% of total
Computer Servers	80 cloud nodes + 20 GPU Cloud servers with HGX B300*	Orient Technologies	2,660	36.9%
Data Storage	Enterprise, archive & GPU storage	Orient Technologies	833.6	11.5%
Networking	High-speed switches + GPU networking	Orient Technologies	516.4	7.1%
Infrastructure	Racks, BMS, security, cooling, UPS, transformers, DG sets, cabling	Deore Electrical; Shree Sai Electrical; Rudra Electricals	1,750	24.3%
General Corporate Purposes	Working capital, strategic initiatives, growth opportunities & other business requirements	N/A	Balance	≤25% of gross issue
Total	**Cloud + GPU compute, storage & DC infrastructure**	**Multiple**	**7,200**	**100%**

**Note: The 20 HGX B300 servers are part of ESDS's planned in-house infrastructure capex and are separate from the 8,208 GPU capacity being sourced under the Sharon AI agreement.*

Deployment of core capex timeline

Particulars (INR Mn)	FY27E	FY28E	Total
Computer Servers	1,995	665	2,660
Data Storage	625	208	834
Networking	387	129	516
Infrastructure	1,313	438	1,750
Total	**4,320**	**1,440**	**5,760**
% of Capex	**75%**	**25%**	**100%**

GPU compute capacity expands disproportionately

Metric	Existing	Post IPO investment	Increase
GPU-server RAM	18 TB	66 TB	3.7x
GPU compute	81 Teraflops	2,481 Teraflops	30.6x

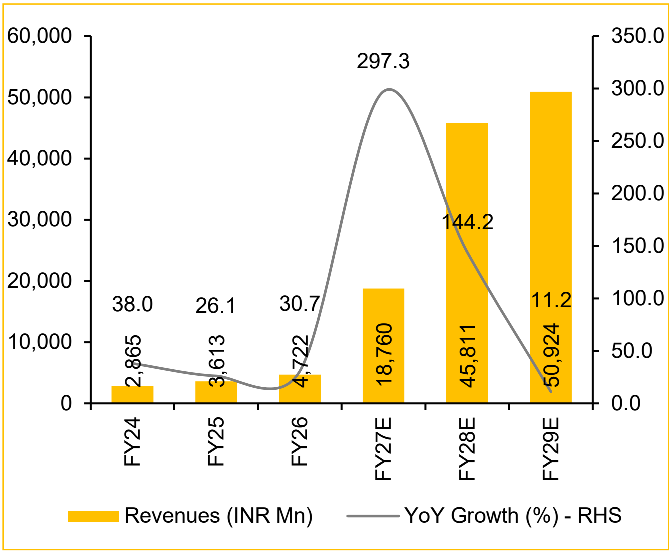
- Planned GPU-server RAM expansion from 18TB to 66TB implies 3.7x growth, while GPU compute capacity rises from 81 to 2,481 teraflops, representing 30.6x growth and significantly outpacing conventional cloud capacity.

Key Operating Metrics

	FY24	FY25	FY26
Income Statement			
Revenues (INR Mn)	2,865	3,613	4,722
Gross Profit (INR Mn)	1,211	1,858	2,621
Gross Margin (%)	42.3	51.4	55.5
EBITDA (INR Mn)	1,019	1,549	2,399
EBITDA Margin (%)	35.6	42.9	50.8
PAT (INR Mn)	136	556	1,208
PAT Margin (%)	4.8	15.4	25.6
EPS (INR)	1.4	5.8	12.0
Revenue Mix by Segments (%)			
IaaS	49.6	56.4	43.9
Managed Services	27.1	20.9	41.2
SaaS	23.3	22.7	14.9
Total	**100.0**	**100.0**	**100.0**
Revenue mix of IaaS Segment (%)			
Cloud Services & Computing	83.8	81.7	81.0
Colocation & Data centers	16.2	18.3	19.0
Total	**100.0**	**100.0**	**100.0**
Revenue by Customer Segment (%)			
BFSI	18.3	30.9	17.5
Government	34.0	29.5	27.4
Enterprise	47.7	39.6	55.1
Total	**100.0**	**100.0**	**100.0**
Revenue by Customer Tenure (%)			
Existing Customer	92.9	76.6	72.6
New Customers	7.0	23.3	27.3
Total	**100.0**	**100.0**	**100.0**
Other Operating Metrics			
Enterprise Storage (TB)	10,823.0	13,126.0	18,795.0
Utilisation (TB)	6,935	8,365	12,287
Capacity Utilisation (%)	64.1%	63.7%	65.4%
Total Customers	1,465	1,714	2,501
Average Rev. per Customer (INR Mn)	2.0	2.1	1.9
Revenue Retention Rate (%)	128.2	96.6	94.9
Number of Data centers	4.0	4.0	5.0

Source: ESDS, Choice Institutional Equities

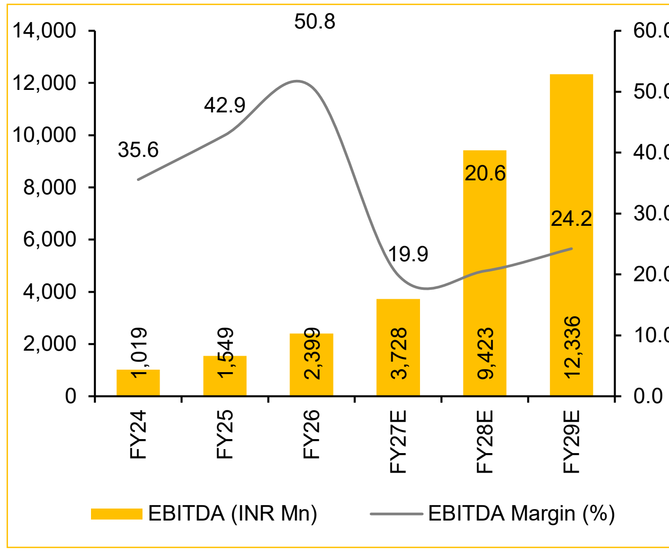
Revenue expected to expand at 121.0% CAGR over FY26–29E*



Source: ESDS, Choice Institutional Equities

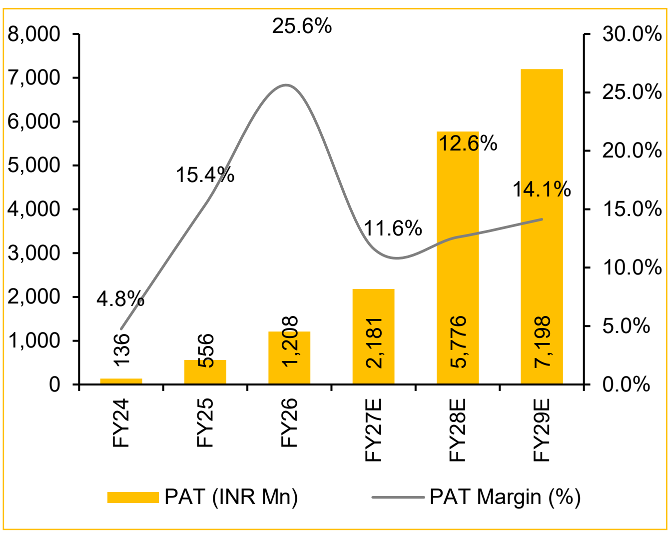
**The estimates includes the Sharon AI deal of USD 1.25 Bn*

EBITDA to decline in FY27E due to change in business mix



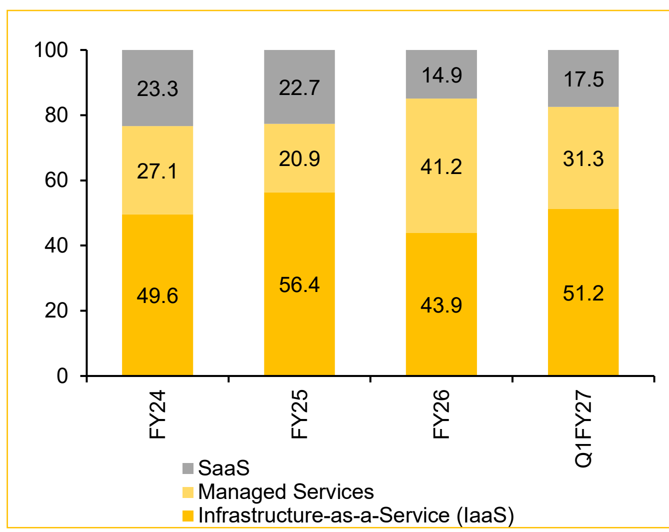
Source: ESDS, Choice Institutional Equities

PAT Margin to expand from 11.6% to 14.1% by FY29E



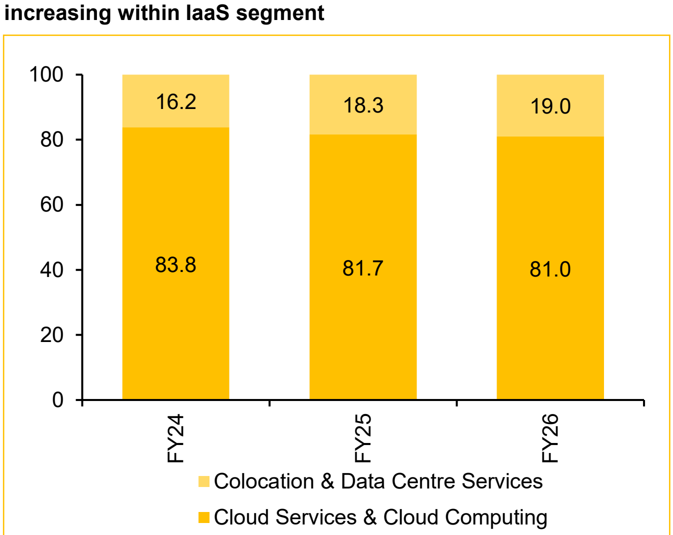
Source: ESDS, Choice Institutional Equities

IaaS segment leads the business mix



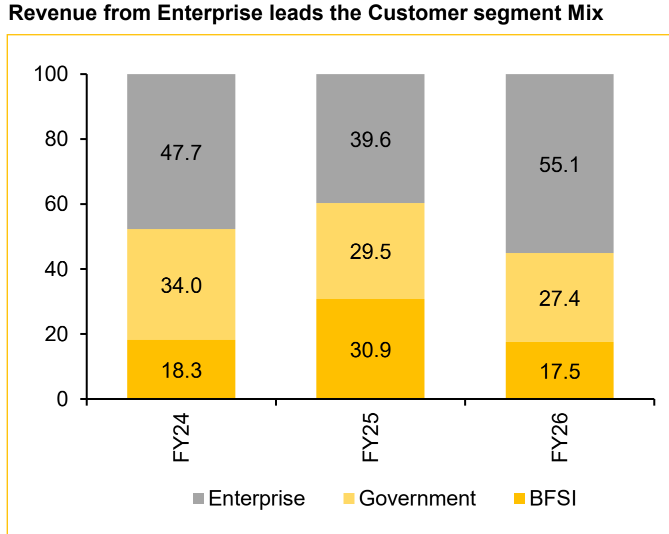
Source: ESDS, Choice Institutional Equities

Colocation & Data center Services sub-segment gradually increasing within IaaS segment



Source: ESDS, Choice Institutional Equities

Revenue from Enterprise leads the Customer segment Mix



Source: ESDS, Choice Institutional Equities

Income Statement (Consolidated in INR Mn)

Particulars	FY24	FY25	FY26	FY27E	FY28E	FY2E
Revenue	2,865	3,613	4,722	18,760	45,811	50,924
Gross profit	1,211	1,858	2,621	4,060	10,113	13,353
EBITDA	1,019	1,549	2,399	3,728	9,423	12,336
Depreciation	526	622	635	938	2,165	3,077
EBIT	549	1,080	1,849	2,829	7,339	9,358
Other Income	56	48	84	39	81	99
Interest Expenses	316	252	118	80	59	43
PAT	136	556	1,208	2,181	5,776	7,198
EPS	1.4	5.8	12.0	18.6	49.3	61.4

Ratio Analysis	FY24	FY25	FY26	FY27E	FY28E	FY29E
Growth Ratios (%)						
Revenue	38.0	26.1	30.7	297.3	144.2	11.2
Gross Profit	72.2	53.5	41.0	54.9	149.1	32.0
EBITDA	114.6	52.0	54.9	55.4	152.7	30.9
EBIT	1727.0	96.5	71.3	53.0	159.4	27.5
Margins (%)						
Gross Profit	42.3	51.4	55.5	21.6	22.1	26.2
EBITDA	35.6	42.9	50.8	19.9	20.6	24.2
EBIT	19.2	29.9	39.2	15.1	16.0	18.4
Profitability (%)						
ROE	6.0	13.3	22.2	15.2	28.7	26.3
ROIC	7.9	14.2	7.6	6.4	15.9	17.9
ROCE	7.9	15.9	26.5	39.2	31.6	20.1
Valuation						
BVPS (INR)	22.5	43.8	54.2	122.5	171.8	233.2
OCF/ Net Profit (%)	3.9	1.8	11.3	1.2	0.5	1.0
Free Cash Flow Yield (%)	0.0	0.0	0.1	0.0	0.0	0.0

Balance Sheet (Consolidated in INR Mn)

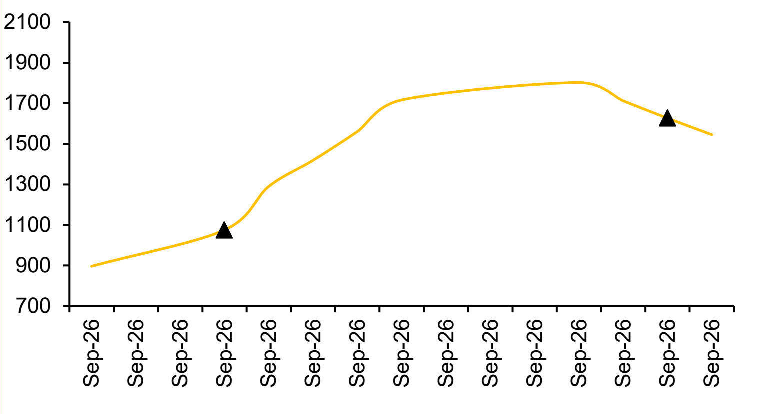
Particulars	FY24	FY25	FY26	FY27E	FY28E	FY29E
Tangible Fixed Assets	3,223	3,525	3,919	10,091	19,310	25,867
Goodwill & Intangible Assets	-	-	-	-	-	-
Investments	644	589	683	862	1,560	1,856
Cash & Cash Equivalents	22	607	12,534	14,914	5,502	2,182
Other Non-current Assets	68	29	58	8,366	8,366	8,366
Other Current Assets	1,581	1,835	2,185	3,015	5,307	5,992
Total Assets	**5,539**	**6,585**	**19,379**	**37,248**	**40,045**	**44,264**
Shareholder's Funds	2,259	4,176	5,437	14,358	20,134	27,332
Minority Interest	6	0	5	5	5	5
Borrowings	2,588	1,267	965	704	516	351
Other Non-current liabilities	240	283	12,025	20,861	17,546	14,516
Other Current liabilities	446	858	947	1,320	1,844	2,060
Total Equity & Liabilities	**5,539**	**6,585**	**19,379**	**37,248**	**40,045**	**44,264**

Cash Flows (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E	FY29E
Cash Flows from Operations	536	1,026	13,677	2,536	2,674	6,871
Cash Flows from Investing	(14)	(1,089)	(1,312)	(6,376)	(18,341)	(11,848)
Cash Flows from Financing	(670)	498	(447)	6,220	6,255	1,658

DuPont Analysis (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E	FY29E
ROE (%)	**6.0%**	**13.3%**	**22.2%**	**15.2%**	**28.7%**	**26.3%**
Net Profit Margin (%)	4.8%	15.4%	25.6%	11.6%	12.6%	14.1%
Asset Turnover	0.5	0.5	0.2	0.5	1.1	1.2
Equity Multiplier	2.5	1.6	3.6	2.6	2.0	1.6

Source: ESDS, Choice Institutional Equities

Historical Price Chart: ESDS Software Solutions Ltd.



Date	Rating	Target Price
September 07, 2026	BUY	1,550
September 25, 2026	SELL	1,550

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Large Cap*	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

*Large Cap: More Than INR 20,000 Cr Market Cap
*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

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