

## Strong Result; Positives Largely Factored in Rich Valuation

**Est. Vs. Actual for Q4FY25:** Revenue: **INLINE**; EBITDA: **BEAT**; PAT: **MISS**

**Change in Estimates post Q4FY25**

**FY26E/FY27E:** Revenue: 1%/2%; EBITDA: 1%/8%; PAT: -5%/3%

### Recommendation Rationale

NFIL delivered robust, broad-based performance during the quarter, along with a notable recovery in margins. The management remains optimistic about sustaining growth momentum.

- **Strong Momentum in CDMO:** The CDMO segment reported a 141% YoY increase in revenue, supported by a healthy order book ensuring strong revenue visibility. The cGMP4 capex of Rs 288 Cr is progressing as planned, with Phase 1 of the facility expected to be commercialised by Q3FY26. The European CDMO business continues to advance, with new molecule orders secured for FY26 deliveries. Management reiterated its CDMO revenue guidance of USD 90–100 Mn, backed by the Fermion contract and growth from both new and existing molecules across development stages, aligned with the cGMP4 capacity expansion.
- **HPP Growth Driven by Volume and Pricing:** The HPP segment posted a 10% YoY increase in revenue, led by higher volumes and improved realisations. The company successfully commercialised additional R32 capacity in Mar'25, which is now running at optimal levels. Management highlighted sustained demand and favorable pricing trends for both HFOs and R32s.
- **Strong Visibility in Specialty Chemicals:** NFIL is operating at optimal capacity at its Dahej and Surat plants, with a strong order pipeline for FY26. Following successful validation from global agrochemical partners, the company is set to launch two new fluoro-intermediates for their innovative AI in FY26.
- **Strategic partnership with Chemours and Buss ChemTech AG:** NFIL partnered with Chemours to manufacture its proprietary product Opteon, a two-phase immersion cooling fluid. This manufacturing partnership leverages Chemours' innovation and Navin's manufacturing expertise to address the data cooling center needs created by AI and next-generation chips. Additionally, NFIL have also tied up with Buss ChemTech AG (Switzerland) as a technology partner to commercialise solar and electronic-grade HF.

### Sector Outlook: Cautiously Optimistic

**Company Outlook & Guidance:** The company continues to add capacities and is also focused on maximising capacity utilisation, enhancing productivity, and driving efficiencies across all businesses. The order book reflects strong revenue visibility across all three segments over the short to medium term. With ongoing expansion, new molecule launches, and anticipated tie-ups in the CDMO space, the company is well-positioned to deliver strong performance in FY26 and FY27. The company has seen a steady improvement in margins in recent quarters, with potential for further improvement. However, the management mentioned that they will focus on maintaining current margins going ahead and has not given guidance for margin expansion.

**Current Valuation:** 30x FY27E (Earlier Valuation: 30x FY27E).

**Current TP:** Rs. 4,440/share (Earlier TP: 4,300/share).

**Recommendation:** While we are raising our target price, we downgrade the rating on the stock to HOLD from BUY as the valuation appears to have factored in the current growth prospects.

**Financial Performance:** Navin Fluorine International Ltd. (NFIL) reported strong Q4FY25 results. Revenue stood at Rs 701 Cr, up 16% YoY/QoQ, in line with our estimate of Rs 706 Cr. EBITDA rose sharply to Rs 179 Cr, up 62% YoY and 21% QoQ, exceeding our estimate of Rs 172 Cr by 4%. EBITDA margins improved to 25.5% from 18.3% in Q4FY24 and 24.3% in Q3FY24. PAT came in at Rs 95 Cr, up 35% YoY and 14% QoQ, slightly below our estimate of Rs 99 Cr.

### Key Financials (Consolidated)

| (Rs Cr)       | Q4FY25 | YoY (%) | QoQ (%) | Axis Est. | Variance |
|---------------|--------|---------|---------|-----------|----------|
| Net Sales     | 701    | 16%     | 16%     | 706       | -1%      |
| EBITDA        | 179    | 62%     | 21%     | 172       | 4%       |
| EBITDA Margin | 25.5%  | 721bps  | 120bps  | 24.4%     | 110bps   |
| Net Profit    | 95     | 35%     | 14%     | 99        | -4%      |
| EPS (Rs)      | 19.2   | 35%     | 14%     | 19.9      | -4%      |

Source: Company, Axis Securities Research

(CMP as of 9<sup>th</sup> May 2025)

|                            |             |
|----------------------------|-------------|
| CMP (Rs)                   | 4,590       |
| Upside /Downside (%)       | -3%         |
| High/Low (Rs)              | 4,720/2,876 |
| Market cap (Cr)            | 22,761      |
| Avg. daily vol. (1m) Shrs. | 2,37,416    |
| No. of shares (Cr)         | 4.96        |

### Shareholding (%)

|          | Sep-24 | Dec-24 | Mar-25 |
|----------|--------|--------|--------|
| Promoter | 28.4   | 28.4   | 28.4   |
| FII's    | 18.2   | 18.6   | 20.2   |
| DII      | 28.2   | 28.5   | 30     |
| Retail   | 25.2   | 24.5   | 21.4   |

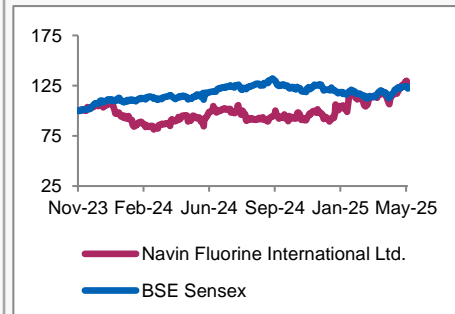
### Financial & Valuations

| (Rs Cr)    | FY25  | FY26E | FY27E |
|------------|-------|-------|-------|
| Net Sales  | 2,349 | 3,133 | 3,983 |
| EBITDA     | 534   | 815   | 1,095 |
| Net Profit | 289   | 500   | 734   |
| EPS (Rs)   | 58.2  | 100.9 | 148.0 |
| PER (x)    | 78.8  | 45.5  | 31.0  |
| P/BV (x)   | 8.7   | 7.4   | 6.1   |
| ROE (%)    | 11.0% | 16.3% | 19.6% |

### Change in Estimates (%)

| Y/E Mar | FY26E | FY27E |
|---------|-------|-------|
| Sales   | 1%    | 2%    |
| EBITDA  | 1%    | 8%    |
| PAT     | -5%   | 3%    |

### Relative Performance



Source: ACE Equity, Axis Securities Research

### Sani Vishe

Analyst  
Sani.vishe@axissecurities.in

### Shivani More

Associate  
Shivani.more@axissecurities.in

## Outlook

NFIL delivered a robust performance in Q4FY25. Revenue came in at Rs 701 Cr, registering a 16% increase YoY and QoQ, broadly in line with the estimate of Rs 706 Cr. EBITDA rose sharply to Rs 179 Cr, marking a 62% YoY and 21% QoQ growth, surpassing the estimate of Rs 172 Cr by 4%. EBITDA margins expanded significantly to 25.5% vs 18.3% in Q4FY24 and 24.3% in Q3FY24, led by operating leverage and improved product mix. PAT stood at Rs 95 Cr, up 35% YoY and 14% QoQ, marginally below the estimate of Rs 99 Cr.

## Valuation & Recommendation

NFIL continues to prioritise business expansion, enhancement of its technology capabilities, development of strategic partnerships, and long-term sustainable growth. While we acknowledge upside risks in terms of quicker-than-expected ramp-up in utilisation levels and contributions from new products, we believe the stock has already priced in most positives, and a further re-rating would depend on the successful execution and validation of growth initiatives. As a result, **we downgrade our rating from BUY to HOLD, but revise the target price upwards to Rs 4,440/share (earlier 4,300/share)**, as we value the company at 30x FY27E earnings. **This target implies a potential downside of 3% from the CMP.**

## Key Concall Highlights

- **Financial Overview:** NFIL delivered a strong performance despite a challenging macro environment. The HPP segment registered 10% YoY growth, supported by higher volumes and improved realisations. The Specialty Chemicals segment posted a modest 1% YoY increase. The CDMO segment led overall growth with a 141% YoY rise, driven by a healthy pipeline of RFQs and confirmed orders. Gross margins stood at 54.2%, down 240 bps QoQ due to rising raw material costs, particularly sulphur, but up 420 bps YoY. EBITDA margins expanded by 712 bps YoY to 25.5%, aided by better capacity utilisation, favourable pricing, and cost optimisation efforts. The company maintained a healthy debt-to-equity ratio of 0.37x and generated Rs 571 Cr in operating cash flows. Higher depreciation and interest expenses were attributed to the commissioning of the Fluoro Specialty project. Management guided for quarterly depreciation of Rs 30–35 Cr and annual interest expenses of Rs 130–140 Cr, which may decline with debt repayment.
- **Strategic Partnership with Chemours:** NFIL entered a strategic partnership with Chemours to manufacture Opteon, a two-phase immersion cooling fluid targeting data centre cooling needs driven by AI and next-gen chips. A dedicated manufacturing unit will be set up in Surat with a total capex of \$14 Mn, including \$5 Mn from Chemours. The facility is expected to be operational by Q1FY27. Both parties will revisit the partnership scope depending on future demand trends.
- **Technology Tie-up with Buss ChemTech AG:** NFIL formed a partnership with Buss ChemTech AG, Switzerland, to commercialise solar and electronic grade HF. Buss ChemTech AG brings over a century of expertise in this domain.
- **HPP:** The company successfully commercialised additional R32 capacity on March 25 and is currently operating at optimal levels. Management continues to witness strong demand and firm pricing in both HFOs and R32s. AHF capex of Rs 450 Cr is expected to be commissioned by Q2FY26, aimed at strengthening NFIL's presence in the solar and electronic grid segments in India and international markets.
- **CDMO:** The CDMO business posted a 141% YoY revenue increase, supported by a strong order book and healthy visibility. The Rs 288 Cr cGMP4 capex is progressing as scheduled, with Phase 1 (Rs 160 Cr investment) targeted for commercialization by Q3FY26. Progress continues in the European CDMO segment, with new molecule orders secured for FY26 deliveries.

- **Specialty Chemicals:** The company is operating at optimal capacity at both Dahej and Surat facilities and has secured solid order visibility for FY26. Following successful validation from global agrochemical partners, NFIL is introducing two new Fluoro-intermediates for AI applications in FY26. Commercial production at the Dahej Fluoro Specialty facility, commissioned in December 2024, is ramping up well, with targeted capacity utilisation of 50–55%.
- **US Tariff:** Management indicated that the current US tariff landscape remains either neutral or slightly positive for NFIL.
- **Capex and Margin Outlook:** For FY26, NFIL has planned a capex outlay of Rs 500–600 Cr. The company aims to sustain EBITDA margins above current levels, expected to range between 23–27%, by focusing on operational efficiency, enhancing product mix, and controlling fixed costs.

#### Key Risks to Our Estimates and TP

- A global recessionary environment, especially a prolonged recession, could affect demand for upstream players.
- Significant price fluctuations in key raw materials and key products.
- Delay/Early ramp-up in Capex and Commercialisation of plants

#### Change in Estimates

|           | Revised |       | Old   |       | Change (%) |       |
|-----------|---------|-------|-------|-------|------------|-------|
|           | FY26E   | FY27E | FY26E | FY27E | FY26E      | FY27E |
| Net Sales | 3,133   | 3,983 | 3,114 | 3,893 | 1%         | 2%    |
| EBITDA    | 815     | 1,095 | 810   | 1,012 | 1%         | 8%    |
| PAT       | 500     | 734   | 526   | 709   | -5%        | 3%    |
| EPS (Rs)  | 100.9   | 148.0 | 106.2 | 143.1 | -5%        | 3%    |

Source: Company, Axis Securities Research

#### Q4FY25 Results Review

|                   | Q4FY24 | Q3FY25 | Q4FY25<br>Axis Est | Q4FY25 | % Change<br>(YoY) | % Change<br>(QoQ) | Axis<br>Variance |
|-------------------|--------|--------|--------------------|--------|-------------------|-------------------|------------------|
| Net Sales         | 602    | 606    | 706                | 701    | 16.4%             | 15.6%             | -0.7%            |
| COGS              | 301    | 263    | 306                | 321    | 6.7%              | 22.0%             |                  |
| Employee Cost     | 71     | 71     | 85                 | 70     | -1.4%             | -1.4%             |                  |
| Other Expenses    | 120    | 124    | 143                | 131    | 9.4%              | 5.1%              |                  |
| EBITDA            | 110    | 147    | 172                | 179    | 62.4%             | 21.3%             | 3.7%             |
| EBITDA Margin %   | 18.3%  | 24.3%  | 24.4%              | 25.5%  | 721bps            | 120bps            | 110bps           |
| Depreciation      | 26     | 30     | 31                 | 35     | 37.1%             | 19.3%             |                  |
| EBIT              | 84     | 118    | 141                | 143    | 70.1%             | 21.8%             |                  |
| Interest          | 17     | 20     | 23                 | 28     | 62.0%             | 39.8%             |                  |
| PBT               | 67     | 98     | 119                | 115    | 72.2%             | 18.1%             |                  |
| Exceptional Items |        |        |                    |        |                   |                   |                  |
| Other Income      | 13     | 10     | 10                 | 12     | -5.5%             | 12.9%             |                  |
| PBT               | 79     | 108    | 129                | 127    | 59.9%             | 17.6%             |                  |
| Tax               | 9      | 24     | 30                 | 32     | 254.4%            | 31.2%             |                  |
| Tax Rate %        | 11%    | 23%    | 23%                | 25%    | 121.6%            | 11.6%             |                  |
| PAT               | 70     | 84     | 99                 | 95     | 35.0%             | 13.6%             | -3.7%            |
| EPS (Rs)          | 14.2   | 16.9   | 19.9               | 19.2   | 34.8%             | 13.6%             | -3.7%            |

Source: Company, Axis Securities Research

## Financials (Consolidated)

### Profit & Loss

(Rs Cr)

| Y/E March         | FY23         | FY24         | FY25         | FY26E        | FY27E        |
|-------------------|--------------|--------------|--------------|--------------|--------------|
| <b>Net Sales</b>  | <b>2,077</b> | <b>2,065</b> | <b>2,349</b> | <b>3,133</b> | <b>3,983</b> |
| COGS              | 896          | 935          | 1,039        | 1,347        | 1,693        |
| Employee Cost     | 249          | 286          | 297          | 376          | 438          |
| Other Expenses    | 382          | 445          | 480          | 595          | 757          |
| Total Expenditure | 1,527        | 1,667        | 1,816        | 2,318        | 2,888        |
| <b>EBITDA</b>     | <b>550</b>   | <b>398</b>   | <b>534</b>   | <b>815</b>   | <b>1,095</b> |
| EBITDA Margin %   | 26.5%        | 19.3%        | 22.7%        | 26.0%        | 27.5%        |
| Depreciation      | 63           | 96           | 119          | 128          | 149          |
| EBIT              | 488          | 302          | 414          | 687          | 946          |
| Interest          | 28           | 75           | 78           | 101          | 94           |
| <b>PBT</b>        | <b>460</b>   | <b>228</b>   | <b>336</b>   | <b>586</b>   | <b>852</b>   |
| Exceptional Items |              |              |              |              |              |
| Other Income      | 36           | 56           | 44           | 63           | 100          |
| PBT               | 496          | 336          | 380          | 650          | 953          |
| Tax               | 121          | 65           | 91           | 149          | 219          |
| Tax Rate %        | 23.6%        | 24.3%        | 19.4%        | 24.1%        | 23.0%        |
| <b>PAT</b>        | <b>375</b>   | <b>271</b>   | <b>289</b>   | <b>500</b>   | <b>734</b>   |
| EPS               | 76           | 55           | 58           | 101          | 148          |

Source: Company, Axis Securities Research

### Balance Sheet

(Rs Cr)

| Y/E March                            | FY23         | FY24         | FY25         | FY26E        | FY27E        |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Share Capital                        | 10           | 10           | 10           | 10           | 10           |
| Reserves & Surplus                   | 2,175        | 2,373        | 2,616        | 3,057        | 3,731        |
| <b>Total Equity Capital</b>          | <b>2,185</b> | <b>2,383</b> | <b>2,626</b> | <b>3,067</b> | <b>3,741</b> |
| Trade Payables                       | 243          | 303          | 327          | 343          | 382          |
| Other Financial Liabilities          | 101          | 84           | 99           | 99           | 99           |
| Other Current Liabilities            | 54           | 40           | 52           | 52           | 52           |
| <b>Total Current Liability</b>       | <b>521</b>   | <b>787</b>   | <b>915</b>   | <b>931</b>   | <b>882</b>   |
| Long-term Borrowings                 | 753          | 1,023        | 1,053        | 1,053        | 1,000        |
| <b>Total Non-Current Liabilities</b> | <b>823</b>   | <b>1,208</b> | <b>1,289</b> | <b>1,302</b> | <b>1,259</b> |
| <b>Total Liabilities</b>             | <b>1,344</b> | <b>1,994</b> | <b>2,204</b> | <b>2,233</b> | <b>2,141</b> |
| <b>Total Equity + Liabilities</b>    | <b>3,529</b> | <b>4,377</b> | <b>4,830</b> | <b>5,300</b> | <b>5,883</b> |
| Inventories                          | 468          | 372          | 322          | 386          | 436          |
| Trade Receivable                     | 562          | 513          | 582          | 644          | 709          |
| Investments                          | 31           | 486          | 472          | 422          | 422          |
| Cash and Equivalents                 | 14           | 7            | 20           | 41           | 158          |
| Other Current Assets                 | 363          | 137          | 153          | 153          | 153          |
| <b>Total Current Assets</b>          | <b>1,466</b> | <b>1,553</b> | <b>1,589</b> | <b>1,686</b> | <b>1,918</b> |
| Net Block                            | 1,472        | 1,685        | 2,550        | 2,923        | 3,273        |
| Capital Work in Progress             | 279          | 711          | 350          | 350          | 350          |
| Goodwill on consolidation            | 88           | 88           | 88           | 88           | 88           |
| <b>Total Non-Current Assets</b>      | <b>2,063</b> | <b>2,824</b> | <b>3,242</b> | <b>3,614</b> | <b>3,964</b> |
| <b>Total Assets</b>                  | <b>3,529</b> | <b>4,377</b> | <b>4,830</b> | <b>5,300</b> | <b>5,883</b> |

Source: Company, Axis Securities Research

**Cash Flow**

(Rs Cr)

| Y/E March   | FY23         | FY24           | FY25         | FY26E        | FY27E        |
|---|--------------|----------------|--------------|--------------|--------------|
| PBT   | 496          | 336            | 380          | 650          | 953          |
| Depreciation & Amortization                           | 63           | 96             | 119          | 128          | 149          |
| Change in Working cap                                 | (531)        | 361            | 93           | (59)         | (77)         |
| Direct tax paid                                       | (110)        | (34)           | (78)         | (149)        | (219)        |
| <b>Cash From Operating Activities</b>                 | <b>(64)</b>  | <b>750</b>     | <b>571</b>   | <b>668</b>   | <b>898</b>   |
| Change in Gross Block                                 | (758)        | (732)          | (567)        | (500)        | (500)        |
| Interest Received                                     | 3            | 3              | 2            | 2            | 2            |
| <b>Cash Flow from Investing Activities</b>            | <b>(656)</b> | <b>(1,093)</b> | <b>(511)</b> | <b>(498)</b> | <b>(498)</b> |
| Proceeds / (Repayment) of Short Term Borrowings (Net) | 91           | 110            | 69           | -            | (87)         |
| Finance Cost paid                                     | (28)         | (75)           | (79)         | (101)        | (94)         |
| Dividends paid  | (54)         | (74)           | (60)         | (59)         | (59)         |
| <b>Cash from Financing Activities</b>                 | <b>658</b>   | <b>336</b>     | <b>(47)</b>  | <b>(148)</b> | <b>(283)</b> |
| Opening Cash & Cash Equivalents                       | 76           | 14             | 7            | 20           | 41           |
| Chg in cash   | (61)         | (8)            | 13           | 22           | 117          |
| <b>Closing Cash &amp; Cash Equivalent</b>             | <b>14</b>    | <b>7</b>       | <b>20</b>    | <b>41</b>    | <b>158</b>   |

Source: Company, Axis Securities Research

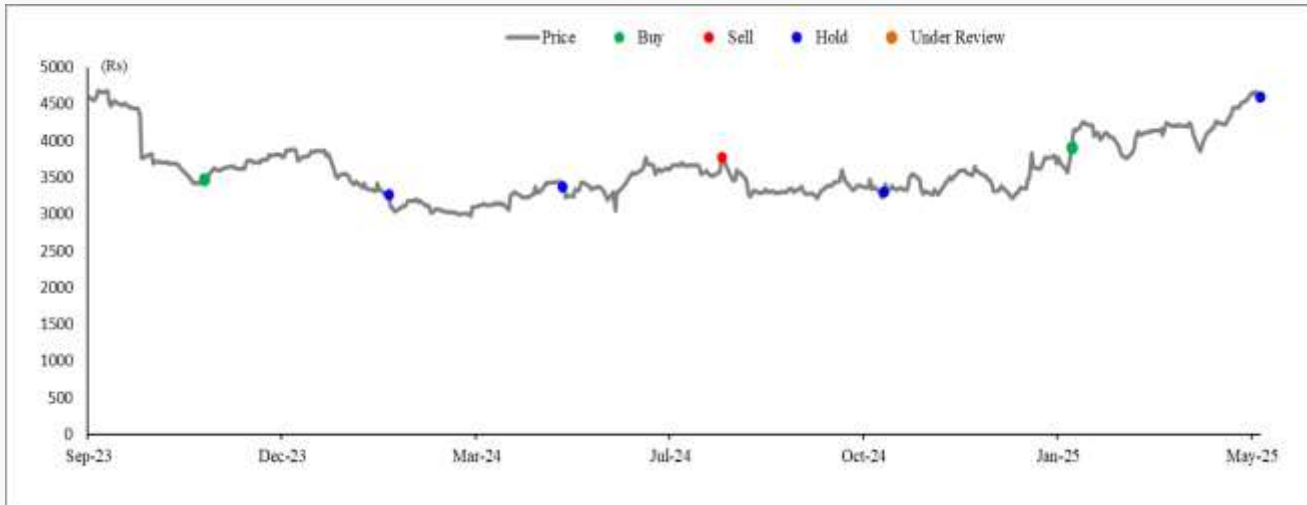
**Ratio Analysis**

(%)

| Y/E March                  | FY23  | FY24   | FY25  | FY26E | FY27E |
|----------------------------|-------|--------|-------|-------|-------|
| <b>Growth (%)</b>          |       |        |       |       |       |
| Net Sales                  | 42.9% | -0.6%  | 13.8% | 33.4% | 27.1% |
| EBITDA                     | 55.1% | -27.6% | 34.0% | 52.6% | 34.5% |
| APAT                       | 42.6% | -27.9% | 6.7%  | 73.3% | 46.7% |
| <b>Profitability (%)</b>   |       |        |       |       |       |
| EBITDA Margin              | 26.5% | 19.3%  | 22.7% | 26.0% | 27.5% |
| Adj. PAT Margin            | 18.1% | 13.1%  | 12.3% | 16.0% | 18.4% |
| ROCE                       | 36.3% | 15.1%  | 18.8% | 30.8% | 46.3% |
| ROE                        | 17.2% | 11.4%  | 11.0% | 16.3% | 19.6% |
| <b>Per Share Data (Rs)</b> |       |        |       |       |       |
| Adj. EPS                   | 75.7  | 54.6   | 58.2  | 100.9 | 148.0 |
| BVPS                       | 440.8 | 480.7  | 529.9 | 618.8 | 754.8 |
| DPS                        | 12.0  | 15.0   | 12.0  | 12.0  | 12.0  |
| <b>Valuations (X)</b>      |       |        |       |       |       |
| PER                        | 60.6  | 84.1   | 78.8  | 45.5  | 31.0  |
| P/BV                       | 10.4  | 9.5    | 8.7   | 7.4   | 6.1   |
| EV / EBITDA                | 42.9  | 60.5   | 45.3  | 29.6  | 21.8  |
| EV / Net Sales             | 11.4  | 11.7   | 10.3  | 7.7   | 6.0   |
| <b>Turnover Days</b>       |       |        |       |       |       |
| Asset Turnover             | 1.9   | 1.1    | 0.9   | 1.0   | 1.1   |
| Inventory days             | 64    | 74     | 54    | 45    | 40    |
| Debtors days               | 81    | 95     | 85    | 75    | 65    |
| Creditors days             | 34    | 48     | 49    | 40    | 35    |
| Working Capital Days       | 110   | 121    | 90    | 80    | 70    |

Source: Company, Axis Securities Research

## Navin Fluorine International Price Chart and Recommendation History



| Date      | Reco | TP    | Research      |
|-----------|------|-------|---------------|
| 02-Nov-23 | BUY  | 5,200 | Result Update |
| 07-Feb-24 | HOLD | 3,220 | Result Update |
| 08-May-24 | HOLD | 3,080 | Result Update |
| 31-Jul-24 | SELL | 3,135 | Result Update |
| 24-Oct-24 | HOLD | 3,570 | Result Update |
| 31-Jan-25 | BUY  | 4,300 | Result Update |
| 12-May-25 | HOLD | 4,440 | Result Update |
|           |      |       |               |

Source: Axis Securities Research

## Disclosures:

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](http://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](mailto: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](mailto: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

| <b>Ratings</b> | <b>Expected absolute returns over 12 – 18 months</b>   |
|----------------|--|
| 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.