

Margins pressure, Long-term Outlook Remains Intact; Maintain BUY
Est. Vs. Actual for Q1FY26: Revenue – **INLINE**; EBITDA – **MISS**; PAT – **MISS**
Changes in Estimates post Q1FY26
FY26E/FY27E – Revenue: -1%/-1%; **EBITDA** -1%/-1%; **PAT** -1%/-1%

Recommendation Rationale

- **Mixed Performance with Margin Pressure:** Nestlé reported a modest 2.5% YoY revenue growth, driven by strong double-digit growth in beverages and confectionery, along with a rebound in volumes for MAGGI noodles. However, the Milk and Nutrition segment delivered a mixed performance. EBITDA declined 1.3% YoY, with margins contracting 156 bps to 21.7%, impacted by a 250 bps drop in gross margins due to elevated input costs and higher operational expenses from expanded manufacturing. On the demand front, urban markets continued to grow, while RUrban markets also turned positive, indicating improving consumption trends.
- **Improving Commodity Outlook:** Input cost pressures persist, but key commodities are stabilising. Edible oil and cocoa remain range-bound, coffee prices have softened with a stable Vietnam crop outlook, and milk prices are expected to ease with a favourable monsoon and the approaching flush season. Overall, the outlook indicates a more benign cost environment ahead.
- **Change in Leadership:** Mr. Manish Tiwary will take over as Chairman and Managing Director of Nestlé India, effective from Aug 1, 2025, succeeding Mr. Suresh Narayanan, who retires on 31st July 2025.

Sector Outlook: Positive
Company Outlook: Positive.

A key downside risk to our call is continued volatility in raw material prices and subdued demand.

Current Valuation: 64x Mar-27 EPS (Earlier: 65x Mar-27 EPS)

Current TP: Rs 2,580/share(Earlier TP: Rs 2,675/share)

Recommendation: We remain optimistic about the company's long-term prospects. However, we have cut our estimates in FY26E/FY27E by 1% each, considering the volatility in commodity prices. With an 11% upside potential from the CMP, we **maintain our BUY rating on the stock.**
Financial Performance

Nestlé India reported revenue of Rs 5,074 Cr in Q1FY26, reflecting a 2.5% YoY growth driven by modest volume expansion of 2.5% YoY. Gross profit rose 1.2% YoY to Rs 2,789 Cr, although gross margins contracted by 250 bps due to elevated consumption prices across the commodity portfolio. EBITDA declined 1.3% YoY to Rs 1,100 Cr, with margins compressing by 156 bps owing to gross margin pressure. PAT stood at Rs 659 Cr, down ~12% YoY, impacted by higher depreciation, increased interest cost due to a temporary spike in borrowings, and a sharp decline in other income.

Key Financials (Standalone)

(Rs Cr)	Q1FY26	QoQ (%)	YoY (%)	Axis Est.	Variance (%)
Net Sales	5,074	(6.9)	5.9	5,061	0.3
EBITDA	1,100	(20.8)	(1.3)	1,180	(6.7)
EBITDA Margin (%)	21.7	-381 bps	-156 bps	23.3	-163 bps
Net Profit	659	(25.5)	(11.7)	737	(10.5)
EPS (Rs)	7	(25.5)	(11.7)	8	(10.5)

Source: Company, Axis Research

(CMP as of 24th July 2025)

CMP (Rs)	2,320
Upside /Downside (%)	11%
High/Low (Rs)	2777/2115
Market cap (Cr)	22,3698
Avg. daily vol.(6m)Shrs. '000	913
No. of shares (Cr)	96.4

Shareholding (%)

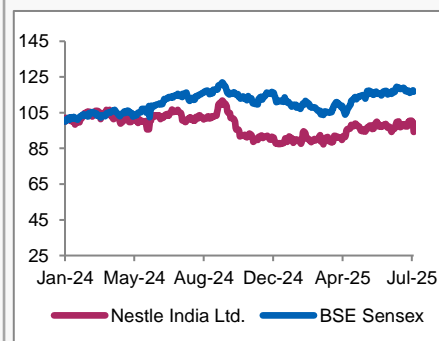
	Dec-24	Mar-25	Jun-25
Promoter	62.8	62.8	62.8
FII's	10.3	10.0	10.3
MFs / UTI	4.4	4.4	3.9
FIs/Banks	0.1	0.1	0.1
Others	22.5	22.7	23.0

Financial & Valuations

Y/E Mar (Rs Cr)	FY25	FY26E	FY27E
Net Sales	20,078	21,973	24,901
EBITDA	4,774	5,264	6,076
Net Profit	3,024	3,347	3,893
EPS (Rs)	31.4	34.7	40.4
PER (x)	74.0	66.8	57.5
EV/EBITDA (x)	47.0	42.6	36.7
P/BV (x)	54.3	46.9	37.5
ROE (%)	73.4	70.2	65.3

Change in Estimates (%)

Y/E Mar	FY26E	FY27E
Sales	-1%	-1%
EBITDA	-1%	-1%
PAT	-1%	-1%

Relative Performance


Source: Ace Equity, Axis Securities

Preeyam Tolia

Research Analyst
email: preeyam.tolia@axissecurities.in

SuhaneeShome

Research Associate
email: suhaneeshome@axissecurities.in

Outlook

The outlook on Nestlé remains positive from a long-term perspective, as current challenges such as lower volume growth and volatility in raw material prices are expected to be short-term in nature. With the rural market anticipated to recover in the coming quarters, the company is well-positioned to benefit, given its substantial expansion in rural presence over the last three years, increasing its reach from 110k to 200k villages. Additionally, its long-term initiatives include: 1) efforts toward rural penetration and market share gains through the RURBAN strategy, 2) constant focus on innovation (launching 125 products in the last seven years), thereby driving growth, 3) driving premiumisation in core categories (e.g., Maggi noodles range) and launching differentiated products, 4) entering new categories of the future (e.g., Nespresso, Purina Pet Care, and Gerber's for toddler nutrition), 5) introducing a D2C platform to engage consumer attention, and 6) renewed focus on its fast-growing nutraceutical portfolio. The company is viewed to have all the right levers for long-term growth.

Valuation & Recommendation

We expect Nestle's Sales, EBITDA, and PAT to grow at 10%, 13%, and 13% CAGR over CY22-FY27E, respectively. **We maintain our BUY stance with a TP of Rs 2,580/share, representing an 11% upside from the CMP.**

Other Highlights

Product performance:

- **The Powdered and Liquid Beverages** segment remained a key growth driver, delivering strong double-digit growth on a high base. NESCAFÉ strengthened its market leadership, gaining share through affordable offerings and premium expansions like NESCAFÉ Gold and Roastery. The Ready-to-Drink (RTD) portfolio also sustained robust momentum.
- **The Prepared Dishes and Cooking Aids segment** saw a strong recovery, with MAGGI noodles posting double-digit volume growth. Masala-Ae-Magic maintained solid traction, while the overall MAGGI portfolio benefited from improving consumption trends. Growth was supported by RURban markets and Quick Commerce, with the Spicy range and Double Masala variants gaining strong consumer response.
- **The Confectionery segment** delivered strong double-digit growth, led by robust volumes. KITKAT was the key growth driver, gaining share and performing well in RURban markets. MUNCH and MILKYBAR also posted solid double-digit growth. Growth was supported by rural acceleration, premiumisation, higher in-home consumption, and Quick Commerce. New launches included KITKAT Duo, Lemon n Lime, and Dark Sharebag.
- **The Milk Products and Nutrition segment** reported a mixed performance. While MILKMAID posted single-digit growth, the growing-up milk portfolio gained traction through renovation and market share expansion. Encouraging trends are emerging in select sub-segments.
- **OHH:** Nestlé India's Out-of-Home business continued its strong double-digit growth, emerging as the fastest-growing vertical within the Beverages and Foods portfolio. Nestlé Professional reached a key milestone with 1,000 Retail One kiosks, led by NESCAFÉ Corners, MAGGI Hotspots, and KITKAT Break Zones, further strengthening its position as a comprehensive solutions provider.
- **Pet Food:** The Pet Food business delivered strong growth, led by robust performance in the Cat portfolio, particularly Purina Felix and Friskies. Enhanced distribution and infrastructure in key cities supported wider market coverage. Employee-focused initiatives like the 'Staff Pet Feeding Policy' and 'pawternity leave' further reinforced Nestlé's pet care commitment.

E-commerce

- E-commerce sustained strong momentum, contributing 12.5% to domestic sales, driven by Quick Commerce, new product launches, and targeted on-platform initiatives aligned with shopper preferences.

Key Risks to Our Estimates and TP

- Increase in competitive intensity
- RM inflation
- Weakening of the demand environment

Change in Estimates

	Old est.		Revised est.		% Revision	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	22,285	25,183	21,973	24,901	-1%	-1%
EBITDA	5,326	6,111	5,264	6,076	-1%	-1%
PAT	3,389	3,917	3,347	3,893	-1%	-1%
EPS (Rs)	35	41	35	40	-1%	-1%

Source: Company, Axis Securities

Results Review

(Rs Cr)	Q1FY25	Q4FY25	Axis Sec Est.	Q1FY26	YoY growth (%)	QoQ growth (%)	Axis Sec Est. (Var %)
Volume growth (% YoY)	1	2	3.5	2.5			
Net Sales	4,793	5,448	5,061	5,074	5.9	(6.9)	0.3
Gross Profits	2,754	3,035	2,834	2,789	1.2	(8.1)	(1.6)
Gross Margin (%)	57.5	55.7	56.0	55.0	-250 bps	-76 bps	-104 bps
Staff costs	505	522	510	516	2.0	(1.2)	1.0
Other operating expenses	1,155	1,181	1,167	1,195	3.4	1.2	2.4
EBITDA	1,114	1,389	1,180	1,100	(1.3)	(20.8)	(6.7)
EBITDA margin (%)	23.2	25.5	23.3	21.7	-156 bps	-381 bps	-163 bps
Depreciation	113	155	158	157	39.2	1.0	(1.0)
Interest Cost	32	38	38	47	48.0	25.0	22.6
Other Income	39	8	13	4	(89.7)	(52.1)	(68.1)
PBT	1,009	1,205	996	900	(10.8)	(25.2)	(9.6)
Tax	262	319	259	241	(8.1)	(24.4)	(6.8)
Tax rate (%)	26.0	26.5	26.0	26.8	78 bps	30 bps	79 bps
Reported PAT	747	885	737	659	(11.7)	(25.5)	(10.5)
EPS (Rs.)	8	9	8	7	(11.7)	(25.5)	(10.5)

Source: Company, Axis Securities

Financials (Standalone)

Profit & Loss

(Rs Cr)

Y/E Mar, Rs Cr	FY24	FY25	FY26E	FY27E
Net sales	24,275	20,078	21,973	24,901
Growth, %	45	(17)	9	13
Other operating income	118	124	136	150
Total income	24,394	20,202	22,110	25,051
Raw material expenses	(10,709)	(8,750)	(9,537)	(10,586)
Employee expenses	(2,336)	(2,024)	(2,186)	(2,513)
Other Operating Expenses	(5,529)	(4,654)	(5,122)	(5,875)
EBITDA (Core)	5,820	4,774	5,264	6,076
Growth, %	57	(18)	10	15
Margin, %	24	24	24	24
Depreciation	(538)	(540)	(669)	(748)
EBIT	5,282	4,234	4,595	5,328
Growth, %	60	(20)	9	16
Margin, %	22	21	21	21
Interest paid	(145)	(136)	(137)	(138)
Other Income	148	59	65	71
Non-recurring Items	(4)	(291)	-	-
Pre-tax profit	5,280	3,866	4,523	5,261
Tax provided	(1,356)	(1,133)	(1,176)	(1,368)
Profit after tax	3,924	2,733	3,347	3,893
Unadj. shares (Cr)	96	96	96	96

Source: Company, Axis Securities

Balance Sheet

(Rs Cr)

Y/E Mar, Rs. Cr	FY24	FY25	FY26E	FY27E
Cash & bank	779	96	280	1,570
Marketable securities at cost	40	-	-	-
Debtors	300	363	241	273
Inventory	2,089	2,850	3,119	3,535
Loans & advances	76	74	74	74
Other current assets	275	415	415	415
Total current assets	3,559	3,798	4,129	5,867
Investments	424	706	706	706
Gross fixed assets	6,119	8,543	9,543	10,543
Less: Depreciation	(2,658)	(3,069)	(3,738)	(4,486)
Add: Capital WIP	1,742	1,173	1,173	1,173
Net fixed assets	5,202	6,646	6,977	7,229
Non-current assets	1,338	1,174	1,174	1,174
Total assets	10,523	12,324	12,986	14,976
Current liabilities	3,918	4,640	4,363	4,708
Provisions	2,917	3,090	3,382	3,833
Total current liabilities	6,835	7,730	7,745	8,540
Non-current liabilities	347	476	476	476
Total liabilities	7,182	8,207	8,221	9,017
Paid-up capital	96	96	96	96
Reserves & surplus	3,244	4,021	4,669	5,863
Shareholders' equity	3,341	4,117	4,765	5,959
Total equity & liabilities	10,523	12,324	12,986	14,976

Source: Company, Axis Securities

Cash Flow

(Rs Cr)

Y/E Mar, Rs. Cr	FY24	FY25	FY26E	FY27E
Pre-tax profit	5,280	3,866	4,523	5,261
Depreciation	538	540	669	748
Chg in working capital	396	181	(132)	348
Total tax paid	(1,313)	(1,084)	(1,176)	(1,368)
Other operating activities	-	-	-	-
Cash flow from operating activities	4,901	3,502	3,884	4,989
Capital expenditure	(2,338)	(1,984)	(1,000)	(1,000)
Chg in investments	136	(282)	-	-
Chg in marketable securities	177	40	-	-
Other investing activities	-	-	-	-
Cash flow from investing activities	(2,024)	(2,226)	(1,000)	(1,000)
Free cash flow	2,877	1,276	2,884	3,989
Equity raised/(repaid)	(837)	1	(0)	(0)
Debt raised/(repaid)	(1)	(3)	-	-
Dividend (incl. tax)	(31,041)	(26,028)	(2,699)	(2,699)
Other financing activities	-	-	-	-
Cash flow from financing activities	(31,879)	(26,030)	(2,699)	(2,699)
Net change in cash	(29,003)	(24,754)	185	1,290
Opening cash balance	946	779	96	280
Closing cash balance	779	96	280	1,570

Source: Company, Axis Securities

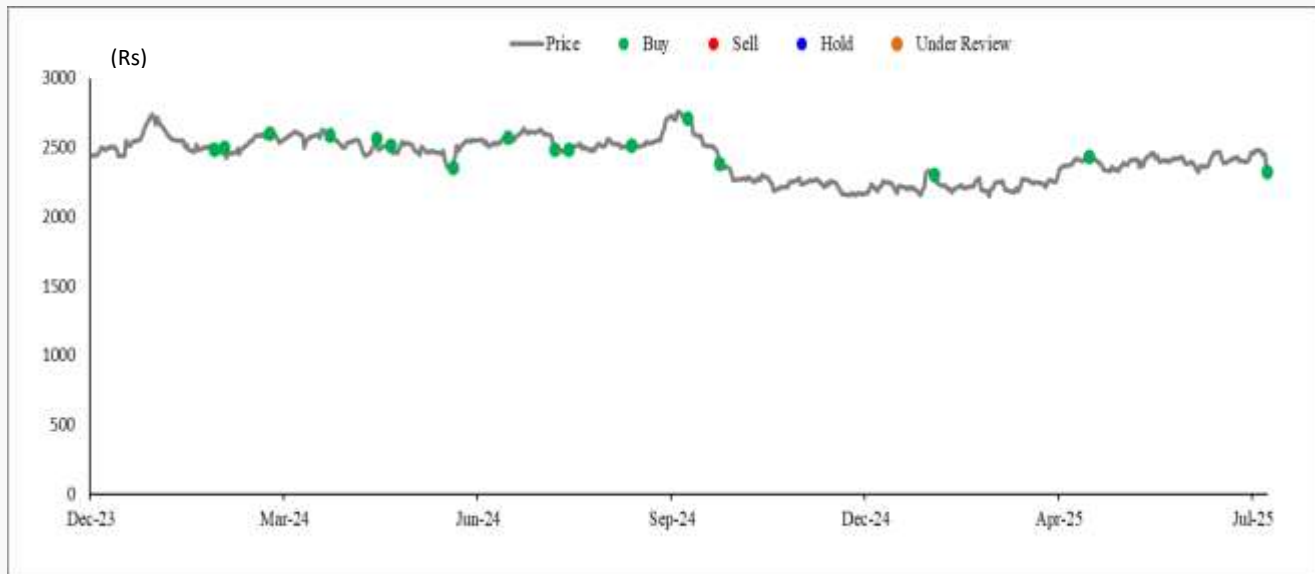
Ratio Analysis

(%)

Y/E Mar	FY24	FY25	FY26E	FY27E
EPS (INR)	40.8	31.4	34.7	40.4
Growth, %	64.3	(23.0)	10.7	16.3
Book NAV/share (INR)	34.7	42.7	49.4	61.8
FDEPS (INR)	40.8	31.4	34.7	40.4
CEPS (INR)	46.4	40.0	41.7	48.1
CFPS (INR)	48.2	26.5	39.6	51.0
DPS (INR)	322.0	270.0	28.0	28.0
Return ratios				
Return on assets (%)	41.7	25.1	27.5	28.8
Return on equity (%)	117.6	73.4	70.2	65.3
Return on capital employed (%)	64.9	40.1	42.7	42.7
Turnover ratios				
Asset turnover (x)	7.7	4.1	3.4	3.5
Sales/Total assets (x)	2.5	1.8	1.7	1.8
Sales/Net FA (x)	5.6	3.4	3.2	3.5
Receivable days	4.5	6.6	4.0	4.0
Inventory days	31.4	51.8	51.8	51.8
Payable days	44.0	62.1	52.2	52.5
Working capital days	(17.7)	(17.1)	(8.5)	(6.0)
Liquidity ratios				
Current ratio (x)	0.9	0.8	0.9	1.2
Quick ratio (x)	0.4	0.2	0.2	0.5
Interest cover (x)	36.3	31.1	33.6	38.6
Total debt/Equity (%)	0.0	0.2	0.2	0.1
Net debt/Equity (%)	(0.2)	0.2	0.1	(0.1)
Valuation				
PER (x)	56.9	74.0	66.8	57.5
PEG (x) - y-o-y growth	0.9	(3.2)	6.2	3.5
Price/Book (x)	66.9	54.3	46.9	37.5
EV/Net sales (x)	9.2	11.2	10.2	8.9
EV/EBITDA (x)	38.3	47.0	42.6	36.7
EV/EBIT (x)	42.2	53.0	48.8	41.8

Source: Company, Axis Securities

Nestle India Price Chart and Recommendation History



Date	Reco	TP	Research
02-Feb-24	BUY	2,800	Top Picks
08-Feb-24	BUY	2,800	Result Update
01-Mar-24	BUY	2,800	Top Picks
01-Apr-24	BUY	2,800	Top Picks
26-Apr-24	BUY	2,880	Result Update
02-May-24	BUY	2,880	Top Picks
03-Jun-24	BUY	2,880	Top Picks
01-Jul-24	BUY	2,880	Top Picks
26-Jul-24	BUY	2,800	Result Update
02-Sep-24	BUY	2,800	Top Picks
01-Oct-24	BUY	2,960	Top Picks
18-Oct-24	BUY	2,640	Result Update
05-Feb-25	BUY	2,520	Result Update
25-Apr-25	BUY	2,675	Result Update
25-Jul-25	BUY	2,580	Result Update

Source: Axis Securities

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. Rajiv Kejriwal, 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.