

Robust Q3 Led by Strong Commodity Prices

Est. Vs. Actual for Q3FY25: Revenue – **BEAT**; EBITDA – **BEAT**; PAT – **BEAT**

Change in Estimates YoY for NALCO post Q3FY25 results:

FY26E/FY27E: Revenue -2%/-2%; EBITDA: -4%/-3%; PAT: -3%/-1%.

Recommendation Rationale

- **Overall beat:** NALCO's consolidated EBITDA grew by 200%/50% YoY/QoQ to Rs 2,328 Cr, a 30% beat vs. our and consensus, led by strong performance at both the Alumina and Aluminium divisions. EBIT at both divisions increased sharply, led by higher Alumina and Aluminium prices in Q3FY25.
- **Alumina refinery expansion:** The 5th stream Alumina refinery of 1 mtpa is 70% complete and is expected to be commissioned by the end of FY26 from earlier guidance of Sep'25 (Q2FY26). The Pottangi Bauxite Mine (111 MT reserves) of 3.5 mtpa capacity will secure the bauxite supply for the alumina refinery expansion is also expected to start by the end of FY26. Utkal coal blocks D & E of 2 mtpa each will be operated as a single block for cost optimisation. Of the 7 MTPA coal needed for CPP, 3MTPA was produced in FY25, and it will increase this to 4 MTPA in FY26, replacing all the e-auction volumes required earlier. The majority of the benefit from captive coal is now already in the power costs.
- **Aluminium smelter expansion** of 0.5 mtpa capacity with a Capex of Rs 17,000 Cr is likely to be installed by FY30, along with a 1,200 MW CPP with a Capex of Rs 13,000 Cr in a JV with NTPC. Capex will kickstart with ~10-15% of initial spend in FY27, and spending will rise to 25% in subsequent years. It will float a tender for the project within the next 6 months and award the project within the next 7-8 months.

Sector Outlook: Neutral.

Company Outlook & Guidance: A spike in Alumina prices led to strong Alumina realisation at \$641/t in Q3FY25. In Q4FY25, it is likely to stay strong at \$600/t, while Alumina sales volumes will rise to 4 LcT vs. 3.75 LcT in Q3FY25. As a result, Q4FY25 will be another good quarter. Spot Alumina prices have now corrected from the peak of \$800/t to \$530/t and could cool down further towards \$450-\$500/t. The lower Alumina prices will flow from Q1FY26 onwards. Earnings growth could moderate in FY26. We cut our Alumina and Aluminium price assumptions for FY26/27, resulting in EBITDA cuts of 4%/3% for FY26/27. However, we build 5 LcT additional Alumina volumes in FY27 from the 5th Stream of Alumina refinery, which partly offsets the decline in EBITDA from the downward price revision of Alumina and Aluminium. We model slightly lower sales volume against the management guidance of 7-8 Lc tonnes to factor in ramp-up delays. **Delays in refinery expansion, along with a fall in Alumina's price, are key Risks.**

Current Valuation: 6.0x EV/EBITDA on Dec'26E EBITDA (from 7.0x Sep'26E EBITDA).

Current TP: Rs 220/share (Earlier TP: Rs 250/share)

Recommendation: We maintain our BUY rating.

Financial Performance: NALCO's Revenue/EBITDA/PAT beat our and consensus estimates because of strong performance by both the Alumina and Aluminium divisions. Consolidated revenue at Rs 4,662 Cr (up 39%/17% YoY/QoQ) stood ahead of consensus estimate by ~6%. EBITDA at Rs 2,328 Cr (up 201%/50% YoY/QoQ) beat the consensus estimates by 30%, led by a higher topline, while RM and employee costs remained under control. PAT stood at Rs 1,566 Cr (up 233%/50% YoY/QoQ), a 32% miss vs the consensus estimate, led by an EBITDA miss. The company has declared 2nd interim dividend of Rs 4/share for FY25. (Rs 4/share 1st interim in QFY25)

Key Financials (Consolidated)

Rs Cr	Q3FY25	QoQ (%)	YoY (%)	Axis Est.	Variance
Net Sales	4,662	17%	39%	4,287	9%
EBITDA	2,328	50%	201%	1,797	29%
EBITDA %	50%			42%	
PAT (excl Exceptional)	1,566	50%	233%	1,256	25%

Source: Company, Axis Research

(CMP as of 11th February 2025)

CMP (Rs)	183
Upside /Downside (%)	20%
High/Low (Rs)	263/130
Market cap (Cr)	33,674
Avg. daily vol. (6m) Shrs.	1,89,16,696
No. of shares (Cr)	184

Shareholding (%)

	Jun-24	Sep-24	Dec-24
Promoter	51.28	51.28	51.28
FII	10.43	12.08	14.13
Mutual Funds / UTI	13.31	13.03	12.03
Financial Institutions	0.00	0.00	0.04
Others	24.98	23.61	22.52

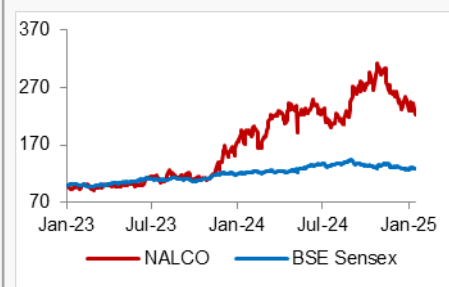
Financial & Valuations

Y/E Mar (Rs Cr)	FY25E	FY26E	FY27E
Net Sales	15,899	15,090	16,997
EBITDA	6,556	5,032	6,023
Net Profit	4,341	3,305	4,021
EPS (Rs.)	23.7	18.1	22.0
PER (x)	7.8	10.2	8.4
P/BV (x)	2.0	1.7	1.5
EV/EBITDA (x)	4.5	5.5	4.5
ROE (%)	27.4%	17.9%	19.2%

Change in Estimates (%)

Y/E Mar	FY25E	FY26E	FY27E
Sales	7%	-2%	-2%
EBITDA	21%	-4%	-3%
PAT	22%	-3%	-1%

Relative Performance



Source: ACE Equity, Axis Securities

Aditya Welekar

Sr. Research Analyst
 Email: aditya.welekar@axissecurities.in

Darsh Solanki

Research Associate
 Email: darsh.solanki@axissecurities.in

Outlook

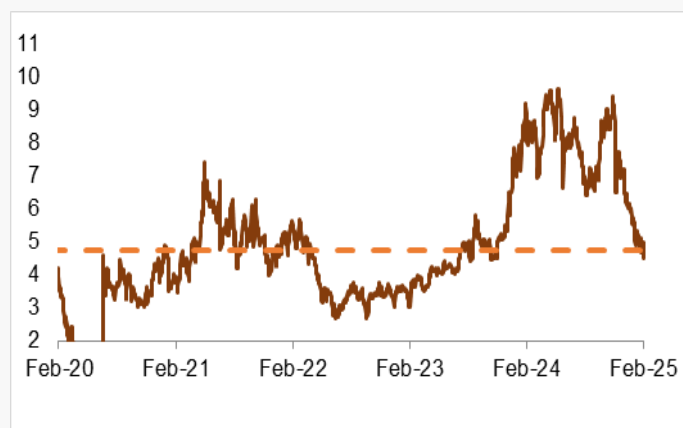
Nalco's timely expansion and ramp-up of the 5th stream Alumina refinery with a 1 MTPA capacity by FY26 will be crucial. The Capex for it has already undergone a cost overrun. The company has plans of Rs 30,000 Cr Capex for the 0.5 MTPA smelter and 1,200 MW CPP. The Capex will increase materially from FY28, and execution will be the key. It has guided a capital structure of a 70:30 leverage ratio for the expansion.

Valuation & Recommendation

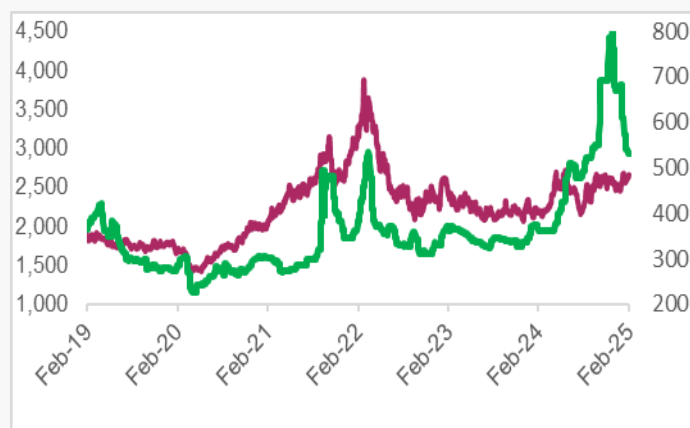
We value the company at 6.0x Dec'26E EBITDA (from 7.0x and Sep'26E) and 0.5x book value of CWIP (unchanged). The TP at Rs 220/share (From 250/share) implies an upside of 20% from the CMP. We maintain our **BUY** rating on the stock.

Key Concall Highlights

- **NALCO is currently undertaking brownfield expansion of its 5th stream of Alumina Refinery**, increasing its capacity by 1MT from the existing 2.1 MTPA to 3.1 MTPA. The company expects to commission the new refinery by the end of Dec'26 or towards the end of FY26 from the earlier guidance of Q2FY26 (Sep'25). In FY27, the company targets 7-8 LcT production from the 5th stream refinery. The cost of Alumina will be similar to that of the existing refinery. The Capex for this expansion is now at Rs 5,677 Cr, and Rs 3,500 has already been spent (70% of the project is completed).
- **Nalco is targeting operationalising the 3.5 MTPA Pottangi Bauxite mines synchronising with the Alumina Refinery expansion**. Capex for this mine development is Rs 2,200 Cr. The company has received board clearance for an MDO appointment, and it is expected to be operational by Dec'26 or by the end of FY26. The mine has reserves of 120 MnT, which will be sufficient for the next 15-20 years, including the 3.5 MnT bauxite requirement for the 1 MTPA new refinery.
- **Brownfield smelter expansion project of 0.5MTPA**: To enhance the company's Aluminium production capacity, it is setting up a brownfield Smelter expansion project of 0.5MTPA capacity at Angul. The smelter Capex will be ~Rs 17,000 Cr, and it will start by FY27. In FY27, initial Capex intensity will be lower at 10-15% of total Capex spend, but it will pick up, subsequently reaching 25% each year until commissioning in FY30. The board approves DPR, and within the next 6 months, the company will float the tender and award the project in 7-8 months. Plant commission will take 3-4 years after ordering. The power source will be a 1,200 MW thermal power plant in JV with NTPC for Rs 13,000 Cr.
- The 0.5 MTPA hot metal capacity will increase revenue generation by Rs 11 to 12k Cr per annum. More importantly, with this addition of 5 lakh metric tons, NALCO will produce more value-added extruded and other downstream products, which will be more immune to LME fluctuation.
- **Capex Guidance**: The Capex plan for FY25 was Rs 2,000 Cr. However, only Rs 1,500 Cr will be spent due to the shortfall of AMR schemes for smelter and refinery expansion. Next year's Capex guidance is at Rs 2,000 Cr (Rs 700 Cr maintenance).
- **Employee costs** will remain between Rs 2,000 and 2,100 Cr. In 9MFY25, they came down by Rs 150 Cr because of the one-time provisioning on non-executive PRP. Employee costs are expected to remain range-bound between Rs 2,000 and 2,100 Cr even after expansion. In the next five years, about 200 employees will be retiring (40 each year).
- **For raw material security**, the company has operationalised a Caustic Soda plant (2.7 lakh TPA) at Dahej, Gujarat, in a joint venture with GACL, which is securing the critical raw material requirement.
- **Alumina pricing** – The alumina price trend of \$400/t in previous years was breached when prices shot up to \$800/t in Q3FY25 due to alumina plant shutdowns in Australia. The prices are now correcting as the demand gap of 4 to 5 LcT in Q1/Q2FY25 has come down. Spot prices are down to \$530/t and may come down further to \$450-\$500/t range in the future. Average Alumina realisation stood at \$641/t in Q3FY25 and \$562/t for 9MFY25. For the sales contracts - the company decides strategically whether to sell alumina on a spot basis or to go for a term contract. As the prices were increasing, most of the sales were on a spot basis in Q3FY25.
- **Coal sourcing for 9MFY25**: 49% was from linkage, 4% from e-auction, and the balance 47% was captive. Going forward, linkage and captive will be 50-50%. The Coal Requirement for CPP is at 7 MTPA, and the two coal blocks Utkal D-E of 2MT each produced 3MTPA in FY25 (lower than 4MTPA due to some delays at the Utkal E block). In FY26 it targets production of 4 MTPA which will nullify the need to purchase external e-auction coal.

Exhibit 1: NALCO 12MF consensus EV/EBITDA – Multiple reverting to mean


Source: Refinitiv Workspaces

Exhibit 2: Alumina prices – sharp correction after surge


Key Risks to Our Estimates and TP

- Capex overrun at the 5th Stream Alumina Refinery expansion can put pressure on the cash flows.
- Lower/Higher Aluminium/Alumina prices than our assumption could post a downside/upside risk to our TP.
Lower/higher-than-expected power costs could pose an upside/downside risk to our TP.

Change in Estimates

	New			Old			% Change		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Sales	15,899	15,090	16,997	14,854	15,415	17,339	7%	-2%	-2%
EBITDA	6,556	5,032	6,023	5,431	5,229	6,179	21%	-4%	-3%
PAT	4,341	3,305	4,021	3,572	3,414	4,067	22%	-3%	-1%
LME Aluminum (\$/t)	2,509	2,538	2,511	2,513	2,563	2,609	0%	-1%	-4%
Alumina (\$/t)	557	503	462	565	538	474	-1%	-7%	-3%

Source: Company, Axis Securities

NALCO Results Review

Consolidated	Q3FY24 Actual	Q2FY25 Actual	Q3FY25 Axis Est	Q3FY25 Consensus	Q3FY25 Actual	YoY %	QoQ %	vs Axis %	Vs Con %
Total Alumina Sales (Kt)	302	341	301			NA	NA	NA	
Total Metal Sales (Kt)	116	117	116			NA	NA	NA	
LME Aluminum	2,198	2,385	2,577		2,577	17%	8%	0%	
Revenues	3,347	4,001	4,287	4,386	4,662	39%	17%	9%	6%
Consumption of Raw Materials	649	491	549		506	-22%	3%	-8%	
Changes in inventories	59	154	-		20	-66%	-87%	NA	
Power & Fuel	846	810	842		827	-2%	2%	-2%	
Employees Cost	439	476	461		430	-2%	-10%	-7%	
Other Expenses	580	521	637		551	-5%	6%	-14%	
Total Expenditure	2,574	2,452	2,489		2,335	-9%	-5%	-6%	
EBITDA	773	1,549	1,797	1,788	2,328	201%	50%	29%	30%
EBITDA margin (%)	23%	39%	42%	41%	50%				
Depreciation	154	180	181		286	86%	59%	58%	
Other Income	51	72	86		99	94%	38%	15%	
Interest Expense	2	4	4		19	809%	331%	331%	
Share Of P/L Of Associates	-17.9	-16.2	-		-17	NA	NA	NA	
Exceptional loss/(gain)					-				
PBT (excl Exceptional items)	650	1,420	1,698		2,105	224%	48%	24%	
PBT	650	1,420	1,698		2,105	224%	48%	24%	
Tax	180	374	443		539	200%	44%	22%	
Tax Rate (%)	28%	26%	26%		26%				
PAT (excl Exceptional items)	471	1,046	1,256	1,183	1,566	233%	50%	25%	32%
PAT	471	1,046	1,256		1,566	233%	50%	25%	
EPS (Rs)	2.57	5.71	6.86		8.56	233%	50%	25%	
Segmental Results									
Chemicals	1,414	1,703	2,111		2,516	78%	48%	19%	
Aluminum	2,326	2,727	2,626		2,601	12%	-5%	-1%	
Unallocated Common	-8	9	24		9	NA	2%	-60%	
Less: Inter-segment revenue	-385	-437	-474		-465	NA	NA	NA	
Total Revenue from Operations	3,347	4,001	4,287		4,662	39%	17%	9%	
Chemicals	217	595			1,287	492%	116%	NA	
Aluminum	479	856			950	99%	11%	NA	
Segmental EBIT	696	1,451			2,237	221%	54%	NA	
EBIT Margin %									
Chemicals	15.4%	34.9%			51.2%				
Aluminum	20.6%	31.4%			36.5%				
Segmental EBIT	20.8%	36.3%			48.0%				
Aluminum Share of EBIT	68.8%	59.0%			42%				

Source: Company, Axis Securities, Bloomberg Consensus.

Financials (Consolidated)

Profit & Loss

(Rs Cr)

Y/E March	FY24A	FY25E	FY26E	FY27E
Total Operating income	13,148	15,899	15,090	16,997
Consumption of Raw Materials	2,792	2,061	2,121	2,466
Increase/Decrease in Stocks	(146)	(119)	-	-
Power & fuel	3,548	3,203	3,463	3,678
Employees Cost	2,034	1,947	2,056	2,171
Other Expenses	2,049	2,251	2,418	2,660
Total Expenditure	10,276	9,343	10,059	10,975
EBITDA	2,871	6,556	5,032	6,023
Depreciation and Amortization	750	937	884	954
EBIT	2,122	5,619	4,148	5,069
				20%
Other Income	252	319	302	340
Share Of P/L Of Associates (Net of Tax)	(71)	(46)	-	-
Less: Interest & Fin Chg.	17	34	19	19
Less: Exceptional Items	427	-	-	-
Profit before tax	1,858	5,859	4,431	5,390
Provision for Tax	724	1,517	1,125	1,369
Reported PAT	1,135	4,341	3,305	4,021
EPS (Rs/sh)	10.8	23.7	18.1	22.0
DPS (Rs/sh)	3.0	8.0	5.4	6.6

Source: Company, Axis Securities

Balance Sheet

(Rs Cr)

Y/E March	FY24A	FY25E	FY26E	FY27E
Net Block	7,020	6,833	6,949	7,495
CWIP	3,961	4,711	5,711	7,211
Intangible assets	974	974	974	974
Investments	342	342	342	342
Inventories	1,830	2,213	2,100	2,365
Trade Receivables	154	348	207	233
Cash / Bank balance	2,575	4,553	5,916	6,602
Misc. Assets	2,379	2,379	2,379	2,379
Total assets	19,235	22,353	24,578	27,602
Equity capital	918	918	918	918
Reserves	13,470	16,342	18,655	21,470
Borrowings	39	39	39	39
Def Tax Liabilities	841	841	841	841
Other Liabilities	2,126	2,126	2,126	2,126
Provisions	344	344	344	344
Trade Payables	1,496	1,742	1,654	1,863
Capital employed	19,235	22,353	24,578	27,602

Source: Company, Axis Securities

Cash Flow

(Rs Cr)

Y/E March	FY24A	FY25E	FY26E	FY27E
Profit after tax	1,988	4,341	3,305	4,021
Depreciation	750	937	884	954
Interest Expenses	17	34	19	19
Non-operating / EO item	(28)	-	-	-
Change in W/C	(8)	(332)	166	(83)
Operating Cash Flow	2,719	4,981	4,374	4,911
Capital Expenditure	(1,561)	(1,500)	(2,000)	(3,000)
Free cash Flow	1,159	3,481	2,374	1,911
Other Investments	(440)	-	-	-
Investing Cash Flow	(2,000)	(1,500)	(2,000)	(3,000)
Proceeds / (Repayment) of Borrowings	(4)	-	-	-
Payments for buy-back of equity shares	-	-	-	-
Finance cost paid	(0)	(34)	(19)	(19)
Dividend paid	(735)	(1,469)	(992)	(1,206)
Financing Cash Flow	(739)	(1,503)	(1,010)	(1,225)
Change in Cash	(20)	1,977	1,363	686
Opening Cash	63	2,575	4,553	5,916
Closing Cash	43	4,553	5,916	6,602

Source: Company, Axis Securities

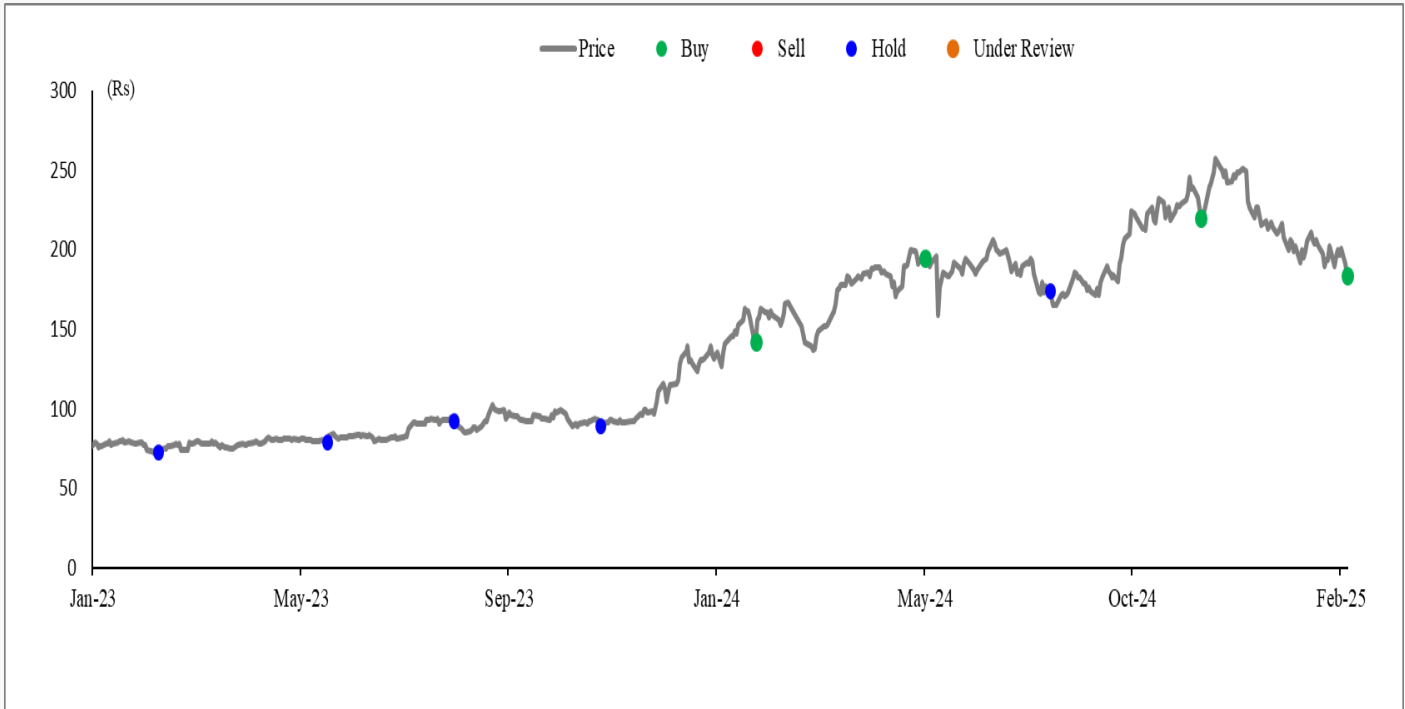
Ratio Analysis

(%)

Y/E March	FY24A	FY25E	FY26E	FY27E
Operational Ratios				
Sales growth (% YoY)	-8%	21%	-5%	13%
EBITDA growth (% YoY)	18%	128%	-23%	20%
Op. profit growth (% YoY)	24%	165%	-26%	22%
Net Profit growth (% YoY)	39%	118%	-24%	22%
EBITDA Margin %	22%	41%	33%	35%
Net profit Margin %	15%	27%	22%	24%
Tax Rate %	26%	26%	25%	25%
Efficiency Ratios				
Total Asset Turnover (x)	0.7	0.8	0.6	0.7
Sales/Gross block (x)	1.1	1.3	1.1	1.1
Sales/Net block(x)	1.9	2.3	2.2	2.3
Working capital/Sales (x)	0.04	0.05	0.04	0.04
Valuation Ratios				
PER (x)	17.0	7.8	10.2	8.4
P/BV (x)	2.3	2.0	1.7	1.5
EV/Ebitda (x)	10.9	4.5	5.5	4.5
EV/Sales (x)	2.4	1.8	1.8	1.6
Dividend Yield (%)	1.6%	4.4%	2.9%	3.6%
Return Ratios				
ROE	14.5%	27.4%	17.9%	19.2%
ROCE	12.6%	29.4%	19.0%	20.8%
ROIC	9.3%	19.2%	12.2%	13.1%

Source: Company, Axis Securities

NALCO Price Chart and Recommendation History



Source: Axis Securities

Date	Reco	TP	Research
13-Feb-23	HOLD	83	Result Update
24-May-23	HOLD	90	Result Update
11-Aug-23	HOLD	95	Result Update
10-Nov-23	HOLD	83	Result Update
14-Feb-24	BUY	160	Result Update
28-May-24	BUY	215	Result Update
13-Aug-24	HOLD	180	Result Update
14-Nov-24	BUY	250	Result Update
12-Feb-25	BUY	220	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. 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.