

Performance on Expected Lines, Eyes on Synergies Moving Ahead!
Est. Vs. Actual for Q4FY25: Revenue: **INLINE**; EBITDA: **BEAT**; PAT: **MISS**
Changes in Estimates Post Q4FY25 Result
FY26E/FY27E: Revenue: 0%/1%; EBITDA: 0%/2%; PAT: 1%/1%

Recommendation Rationale

- **Volume Growth Continues:** PEL reported a 40% YoY increase in revenue, primarily fueled by contributions from recent acquisitions, leading to a ~50% rise in sales volumes (17,185 MT in Q4FY25 vs. 11,435 MT in Q4FY24). The company is also focusing on increasing capacity utilisation, which is expected to drive volume growth going ahead.
- **Commencement of new capacity:** During the quarter, the company commissioned a new production line at its Aurangabad facility, bringing its total sheet metal capacity to 72,000 MT. The management expects a gradual increase in the utilisation of this capacity. It also highlighted a robust pipeline for new machine component products, which has been further enhanced with the start of machining operations for castings manufactured at DFPL.
- **End-market demand improving:** Management highlighted that the challenges in the LV motor market are being resolved. While there are uncertainties related to US tariffs, the company is cautiously optimistic about demand. It continues to witness healthy demand across its major end-user industries, including railways, wind and hydro (under green energy), pumps, and power generation.
- **Maintains Growth Outlook:** The company plans to generate Rs 750 Cr in revenue over the next 18–24 months in the machined components segment. The company aims for a 10% increase in volumes for FY26, targeting Rs 2,000 Cr in revenue for FY26 and Rs 2,100–2,200 Cr for FY27 (on a constant raw material cost basis). In terms of volumes, the goal is to reach 68,000 tonnes in FY26 and achieve full capacity utilisation of 72,000 tonnes in FY27.

Sector Outlook: Positive

Company Outlook & Guidance: Despite global geopolitical tensions and uncertainties in international trade, the management remains cautiously optimistic and has set a revenue growth target of 15% for FY26. The company has guided of 68,000 tons of volumes for FY26, and expects FY26 revenue to be around Rs 2,000 Cr. For FY27, the company is targeting Rs 2,100-2,200 Cr of revenue with lamination volumes in the range of 72,000 tons. While the revenue numbers may be impacted by changes in raw material prices, the management expects strong EBITDA growth going forward. Over the next 12–18 months, it anticipates a 75-100bps improvement in EBITDA margins, driven by higher utilisations, cost-saving initiatives, and manpower and overhead rationalisation.

Current Valuation: 25x FY27EPS (Unchanged)
Current TP: Rs 1,350 /share(Earlier TP: 1,340/share)
Recommendation: We maintain our BUY recommendation on the stock.
Financial Performance

PEL reported revenue of Rs 469 Cr in Q4FY25, marking an increase of 43% YoY and 13% QoQ, inline with our estimates. EBITDA stood at Rs 80 Cr, up 65% YoY and 20% QoQ, beating our estimates of Rs 76 Cr. EBITDA margins stood at 17.1%, surpassing our estimate of 15.9%, improving by 225 bps YoY. PAT came in at Rs 36 Cr, reflecting a 26% QoQ growth but a 10% YoY decline, as compared to the previous year's quarter, which included a significantly higher share of other income. Moreover, Q4FY25 results included contributions from recently acquired and merged businesses and are not directly comparable to the previous year.

Key Financials (Consolidated)

(Rs Cr)	Q4FY25	YoY (%)	QoQ (%)	Axis Est.	Variance
Net Sales	469	40%	13%	480	-1%
EBITDA	80	54%	20%	75	6%
EBITDA Margin	17.1%	163bps	95bps	15.6%	120bps
Net Profit	36	-21%	26%	43	-5%
EPS (Rs)	9.6	-29%	26%	12.1	-5%

Source: Company, Axis Securities Research

 (CMP as of 23rd April 2025)

CMP (Rs)	989
Upside /Downside (%)	37%
High/Low (Rs)	1,512/636
Market cap (Cr)	3,718
Avg. daily vol. (1 m) Shrs.	1,20,588
No. of shares (Cr)	3.77

Shareholding (%)

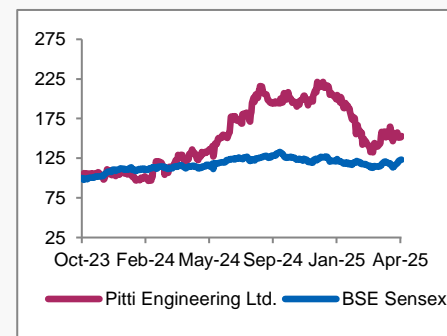
	Sep-24	Dec-24	Mar-25
Promoter	53.6	54.2	54.2
FIIIs	1.3	1.3	0.9
DIIIs	12.6	13.3	18.8
Others	32.6	31.2	26.1

Financial & Valuations

Y/E Mar (Rs Cr)	FY25	FY26E	FY27E
Net Sales	1,705	2,013	2,261
EBITDA	271	331	372
Net Profit	122	172	204
EPS (Rs)	32.5	45.6	54.1
PER (x)	30.5	21.7	18.3
EV/ EBITDA (x)	14.4	11.8	10.5
P/BV (x)	7%	8%	10%
ROE (%)	18%	17%	18%

Change in Estimates (%)

Y/E Mar	FY26E	FY27E
Revenue	0%	1%
EBITDA	0%	2%
PAT	1%	1%

Relative Performance


Source: Ace Equity, Axis Securities Research

Sani Vishe

Research Analyst

Email: sani.vishe@axissecurities.in

Shivani More

Research Associate

Email: shivani.more@axissecurities.in

Outlook

The company has demonstrated strong volume growth over the past few quarters and is expected to rebound once the current near-term uncertainties subside. It is also focusing on increasing the share of value-added products, which, along with rising international demand and the addition of new businesses, supports its long-term growth prospects. While value-added products and exports generate higher margins, the combination of increasing volumes and improved capacity utilisation is expected to enhance operating leverage, as fixed costs remain largely unchanged, thereby driving margin expansion.

Valuation & Recommendation

We continue to value the stock at 25x its FY27 EPS and **revise our target price to Rs 1,350/share (earlier Rs 1,340/share), implying an upside of 37% from the CMP.** We believe that despite the short-term dip in performance, the current valuations remain attractive. Accordingly, we maintain our **BUY** rating on the stock.

Key Concall Highlights

- **Company Performance:** Consolidated revenue for the quarter increased by 40% YoY to Rs 469 Cr, while EBITDA grew by 54% to Rs 80 Cr (excluding other income). EBITDA margin improved to 17.1%, while PAT decreased by 21% YoY. The YoY PAT decline was because of high other income (related to incentives) in the previous Q4.
- **Volumes:** Sales volumes for the quarter stood at ~14k tonnes for laminations, 632 tonnes for castings, 1,270 tonnes for machined components, 328 tonnes for stator frames, 750 tonnes for DFPL, and 15,214 tonnes for scrap & side trim coils. The company reported robust improvement in capacity utilisation for castings. While the capacity utilisation for sheet metal and machining was lower in percentage terms, given the recent expansions, it is expected to pick up going ahead.
- **Exports:** Of the total exports, 30-35% are contributed by the USA, 55-60% are contributed by Mexico, and the remaining goes to various other countries.
- **Performance of acquired entities:** The company has commenced consolidating revenue from Bagadia Chaitra Industries Private Limited (BCIPL), Dakshin Foundry Private Ltd. (DFPL), and Pitti Castings Pvt. Ltd. (PCPL). The management highlighted that they already leverage synergies and expect further benefits as they optimise combined resources.

	Sales Volumes (In MT)	Revenue (Approx. - In Cr)
Bagadia Chaitra Industries Private Limited (BCIPL)	14,075	Rs 240 Cr
Dakshin Foundry Private Ltd. (DFPL)	3,224	Rs 72 Cr

- **Update on supply chain and LV Motor challenges:** The management mentioned that the industry is likely to continue experiencing supply-side challenges related to electrical steel due to the expiration of licences of Chinese players and the new safeguard duty. While the company expects RM price inflation due to the same, it expects to pass on the increase and doesn't expect a significant impact on business. On the CPCB Bharat VI affecting the alternator business and the volatility in the small LV motors market, the management is observing demand recovery and expects normalised demand in Q1FY26.
- **Outlook:** As the company continues to integrate its recent acquisitions and streamline its operations, Pitti Engineering is prioritising cost optimisation and efficiency improvements, which are expected to support better margin performance. Given the ongoing geopolitical and international trade uncertainties, the management remains cautiously optimistic and targets 15% revenue growth for FY26. The management expects around 75-100 bps improvement in the EBITDA margin in the next 12-18 months, driven by enhanced utilisation, cost reduction, rationalisation of manpower and overhead cost. The company is targeting 10% volume growth and aims to achieve ~Rs 2,000 Cr in revenue for FY26. For FY27, it has set a revenue target of Rs 2,100-2,200 Cr at constant prices. In terms of volume, the company is targeting approximately 68,000 tonnes in FY26 and expects to reach peak capacity utilisation of 72,000 tonnes in FY27.

- **End User Industries:** Pump, Datacenter, Automotive, and Appliances & Consumer segments are expected to contribute approximately 10–12% of the consolidated total income over the next two years. Traction motor and railway components are anticipated to continue to perform well, whereas the Industrial and commercial segment is declining, which is a low-margin business. While Renewable energy would continue to outperform.
- **Net Debt and Other Operational Highlights:** Net debt stood at Rs 439 Cr as of March 31, 2025, and Net Debt to Equity Ratio stood at 0.49. The management expects net debt to be reduced by cash accruals (targeting to reduce debt by Rs 100-200 Cr by FY26). During the quarter, the company granted 7,87,500 employee stock options to employees of the company and its subsidiaries out of the shareholder-approved limit of 13,00,000 options as part of the 'Pitti ESOP Scheme 2024'. No major capex is currently planned. However, the company may consider undertaking capex in H2FY26 or H1FY27, depending on the evolving growth prospects.
- **Dividend:** The company recommended a dividend of Rs 1.50/- (30%) per equity share of face value Rs 5/- each for the FY25, subject to approval.

Change in Estimates

(Rs Cr)

	Revised		Old		% Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	2,013	2,261	2,022	2,250	0%	1%
EBITDA	331	372	331	364	0%	2%
PAT	172	204	170	202	1%	1%

Source: Company, Axis Securities Research

Segmental/End Markets Revenue

(Rs Cr)

End User Application Revenue Breakup	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Total	336	391	429	415	469
Traction Motor & Railway Components	116	119	128	151	178
Special Purpose Motors	19	25	27	28	31
Renewable Energy	14	21	22	20	15
Power Generation	46	64	69	58	72
Mining, Oil & Gas	29	25	33	31	30
Industrial & Commercial	39	41	48	46	49
Data Centre	6	10	11	11	12
Automotive	2	3	3	5	3
Appliances & Consumer	2	2	2	2	3
Pumps	0	9	9	9	11
Others	63	74	78	53	65

Source: Company, Axis Securities Research

Results Review (Consolidated)
(Rs Cr)

Rs Cr	Q4FY24	Q3FY25	Axis Est	Q4FY25	YoY (%)	QoQ (%)	Axis Variance
Revenue	336	415	476	469	40%	13%	-1%
Gross profit	136	179	185	187	38%	5%	
Gross Margin (%)	40.5%	43.1%	39.0%	40.0%	-47bps	-313bps	100bps
Employee Cost	36	53	54	54	48%	2%	
Other Expenses	48	59	56	54	13%	-9%	
EBITDA (Excl. Other Income)	52	67	76	80	54%	20%	6%
EBITDA Margin (Excl. Other Income %)	15.5%	16.1%	15.9%	17.1%	163bps	95bps	120bps
Other Income	31.5	6.0	0.7	3.5	-89%	-41%	
EBITDA (Incl Other Income)	83.4	73.0	76.2	83.6	0%	15%	10%
EBITDA Margin (Incl. Other Income - %)	24.8%	17.6%	16.0%	17.8%	-701bps	25bps	181bps
Less: Depreciation	16	21	22	22	44%	6%	
EBIT	36	46	54	58	59%	26%	
Less: Net Interest	14	13	13	19	34%	43%	
Profit Before Tax	54	39	41	42	-21%	9%	
Less: Total Tax	8	10	3	6	-22%	-39%	
Adj. PAT	46	29	38	36	-21%	26%	-5%
Adj. EPS	13.44	7.64	10.08	9.60	-29%	26%	-5%

Source: Company, Axis Securities Research

Note: Numbers for previous quarters reflect the effect of restatements made by the company post the merger with Pitti Castings Private Ltd. as made available by the company.

Financials (Consolidated)

Profit & Loss

(Rs Cr)

Y/E Mar	FY24	FY25	FY26E	FY27E
Net Revenue	1,244	1,705	2,013	2,261
COGS	771	1,017	1,218	1,368
Staff costs	129	197	242	265
Operating Exp.	163	220	223	257
Total Expenditure	1,063	1,433	1,682	1,890
EBITDA (Excluding Other Income)	181.0	271.1	331.0	371.7
EBITDA Margin %	14.6%	15.9%	16.4%	16.4%
Other Income	49	39	45	45
EBITDA (Including Other Income)	229.5	309.9	376.0	416.7
EBITDA Margin %	18.4%	18.2%	18.7%	18.4%
Depreciation	59	81	83	95
EBIT	171	229	293	322
Interest	51	68	64	49
Other Income	49	39	45	45
PBT	119	162	229	272
Tax	30	39	58	69
<i>Tax Rate %</i>	<i>24.9%</i>	<i>24.3%</i>	<i>25.2%</i>	<i>25.2%</i>
PAT	90	122	172	204
EPS	26.2	32.5	45.6	54.1

Source: Company, Axis Securities Research

Note: Historical numbers may not fully reflect the effect of restatements made by the company after the merger with Pitti Castings Private Ltd.

Balance Sheet

(Rs Cr)

Y/E Mar	FY24	FY25	FY26E	FY27E
Share Capital	16	19	19	19
Reserves & Surplus	457	880	1,046	1,244
Net Worth	473	899	1,065	1,263
Financial Non-Current Liability	326	366	266	166
Other Non-current Liability	-	-	-	-
Deferred Tax Liability	2	15	15	15
Total Non-Current Liability	348	407	307	207
Current Financial Liability	555	677	682	699
Other Current Liability	4	12	12	12
Provisions	4	1	1	1
Total Current Liability	570	698	703	720
Total Equity & Liability	1,391	2,004	2,075	2,190
Application Of Funds				
PPE	372	766	846	851
Capital Work in Progress	122	63	-	-
Right Use Of Assets	83	117	117	117
Intangible Assets	9	8	8	8
Non-Current Financial Assets	0	0	0	0
Other Non-Current Assets	66	42	42	42
Total Non-Current Assets	657	1,149	1,166	1,171
Inventories	287	329	375	403
Current-Financial Assets	325	397	405	487
Other Current Assets	120	127	127	127
Total Current Assets	734	855	909	1,019
Total Assets	1,391	2,004	2,075	2,190

Source: Company, Axis Securities Research

Note: Historical numbers may not fully reflect the effect of restatements made by the company post the merger with Pitti Castings Private Ltd

Cash Flow
(Rs Cr)

Y/E Mar	FY24	FY25	FY26E	FY27E
PBT	119	162	229	272
Depreciation & Amortization	59	81	83	95
Finance Cost	51	68	64	49
Change in Working cap	-130	24	-21	-34
Direct tax paid	-10	-38	-58	-69
Cash flow from operations	80	289	297	314
Change in Gross Block	-226	-282	-100	-100
Chg in Investments	-24	-44	-	-
Other Investments	-	-	-	-
Cash flow from investing	-247	-536	-100	-100
Fresh Issue Proceeds	-	307	-	-
Proceeds / (Repayment) of ST Borrowings (Net)	-4	-13	-	-
Finance Cost paid	-51	-68	-64	-49
Dividends paid	-4	-5	-6	-6
Cash flow from financing	203	269	-219	-155
Chg in cash	37	22	-22	59
Cash and cash equivalents at the beginning of the year	41	77	99	76
Cash and Cash equivalents at the end of the year	77	99	76	135

Source: Company, Axis Securities Research

Note: Historical numbers may not fully reflect the effect of restatements made by the company post the merger with Pitti Castings Private Ltd

Ratio Analysis
(x) / (%)

Y/E Mar	FY24	FY25	FY26E	FY27E
Efficiency Ratios				
Asset Turnover (x)	1.05	1.00	0.99	1.06
Inventory Turnover(x)	2.93	3.30	3.46	3.52
Sales/Total Assets	0.89	0.85	0.97	1.03
Receivable days	58	50	49	48
Inventory Days	77	66	64	63
Payable days	72	61	65	64
Financial Stability Ratios				
Total Debt/Equity(x)	0.6	0.3	0.2	0.1
Total Asset/Equity(x)	2.9	2.5	2.1	1.8
Current Ratio(x)	1.3	1.2	1.3	1.4
Quick Ratio(x)	0.8	0.8	0.8	0.9
Operational & Financial Ratios				
Earnings Per Share (Rs)	26	32	46	54
Book Value (Rs)	138	239	283	335
Tax Rate(%)	24.9%	24.3%	25.2%	25.2%
Performance Ratios				
ROA (%)	7.6%	7.2%	8.4%	9.6%
ROCE (%)	25.3%	21.6%	21.9%	22.6%
ROE (%)	22.2%	17.8%	17.5%	17.5%

Source: Company, Axis Securities Research

Note: Historical numbers may not fully reflect the effect of restatements made by the company post the merger with Pitti Castings Private Ltd

Pitti Engineering Price Chart and Recommendation History



Date	Reco	TP	Research
01-Dec-23	BUY	915	Initiating Coverage
18-May-24	BUY	1,145	Result Update
06-Jun-24	BUY	1,180	Company Update
01-Aug-24	BUY	1,403	Result Update
20-Aug-24	BUY	1,516	Result Update
19-Sep-24	BUY	1,572	Company Update
18-Nov-24	BUY	1,380	Result Update
17-Feb-25	BUY	1,340	Result Update
24-Apr-25	BUY	1,350	Result Update

Source: Axis Securities Research

Disclaimer:

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

Axis Securities Limited, is registered as a

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

Registration Details:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

RATING SCALE: Definitions of ratings

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

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