



## Navigating Geopolitical Headwinds with Strategic Resilience

Est. Vs. Actual for Q4FY26: Revenue: **MISS**; EBITDA: **BEAT**; PAT: **BEAT**

Changes in Estimates post Q4FY26

FY27E/FY28E: Revenue: -3%/-3%; EBITDA: -3%/-3%; PAT: -13%/-6%

### Recommendation Rationale

- Resilient Execution Amid Macro Disruptions:** Aarti Industries Ltd (AIL) delivered a resilient operating performance in Q4FY26 despite significant geopolitical uncertainties and supply chain disruptions. Revenues grew 13% YoY, supported by healthy volume traction across key product segments such as MMA, NT, DCB, and MEA. The "anti-involution" stance adopted by the Chinese chemical industry has started to support margin and volume upticks for the company, especially within the NCB value chain (like PNCB), with incremental benefits expected from Q1FY27 onward.
- Secured Long-Term Earnings Visibility:** The company successfully signed two major strategic contracts during the quarter, a 15-year backward integration initiative requiring a capex of Rs 200-250 Cr, and a \$150 Mn multi-year supply agreement with an agrochemical innovator valid through Mar'30, requiring zero incremental capex. These contracts signal a strategic shift toward deeper integration and improved capital efficiency.
- Tapering CapEx & Deleveraging:** Aarti Industries continues to scale its MMA capacity beyond 290 KTPA, with plans to reach ~360 KTPA. While the Zone IV facility has been commissioned, other assets such as the multipurpose plant (MPP) and PEDDA unit are nearing completion. With FY26 capex at Rs 1,125 Cr, management has guided for moderation to Rs 700–800 Cr in FY27. As capital intensity declines and operating performance improves, the company is expected to generate stronger free cash flows, supporting deleveraging with a targeted Net Debt/EBITDA below 2.5x over the medium term.

### Sector Outlook: Cautiously Optimistic

**Company Outlook & Guidance:** The company remains focused on expanding its product portfolio and enhancing capacity utilisation through selective backward integration initiatives. With capital expenditure peaking in FY26, a moderation phase is expected in FY27. As global demand conditions gradually stabilise, AIL is well-positioned to benefit from operating leverage, improved utilisation, and advancements in high-value chemistries. Management continues to guide for EBITDA in the range of Rs 1,800–2,200 Cr by FY28.

**Current Valuation:** 23x FY28E EPS (Earlier Valuation: 23x Sep'27E EPS)

**Current TP:** Rs 530/share (Unchanged)

**Recommendation:** We revise our rating on the stock to **HOLD** from **BUY**, with an unchanged target price of Rs 530/share, implying an 8% upside from the CMP.

**Financial Performance:** AIL's performance exceeded expectations on the EBITDA and profitability front. Revenue stood at Rs 2,206 Cr, up 13% YoY but down 5% QoQ, missing estimates by 7%. EBITDA came in at Rs 342 Cr, up 28% YoY and 7% QoQ, beating estimates by 8%. EBITDA margins improved to 15.5%, compared to 13.7% in Q4FY25. PAT stood at Rs 137 Cr, significantly up 43% YoY, driven by improved operating leverage, outperforming the estimated Rs 123 Cr.

### Key Financials (Consolidated)

(Rs Cr)	Q4FY26	YoY (%)	QoQ (%)	Axis Est.	Var (%)
Net Sales	2,206	13%	-5%	2,373	-7%
EBITDA	342	28%	7%	316	8%
EBITDA Margin	15.5%	175bps	166bps	13.3%	220bps
Net Profit	137	43%	-7%	123	11%
EPS (Rs)	3.8	43%	3%	3.4	11%

Source: Company, Axis Securities Research

(CMP as of 5<sup>th</sup> May, 2026)

CMP (Rs)	489
Upside/Downside (%)	8%
High/Low (Rs)	532/338
Market cap (Cr)	17,725
Avg. daily vol. (1m) Shrs.	15,20,267
No. of shares (Cr)	36.3

### Shareholding (%)

	Sep-25	Dec-25	Mar-26
Promoter	42.2	42.1	42.1
FIIIs	6.4	6.7	7.4
DIIIs	18.2	18.2	20.1
Other	33.2	33.0	30.4

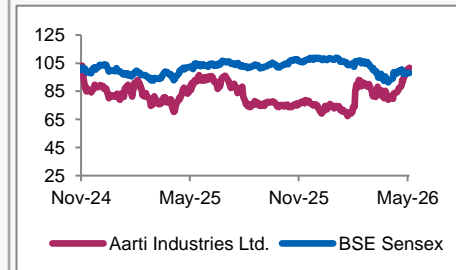
### Financial & Valuations

Y/E Mar	FY26	FY27E	FY28E
Net Sales	8,286	9,620	11,351
EBITDA	1,151	1,530	1,862
Net Profit	419	677	850
EPS (Rs)	11.6	18.7	23.5
PER (x)	42.3	26.2	20.8
P/BV (x)	3.0	2.7	2.4
EV/EBITDA (x)	19.2	14.2	11.5
ROE (%)	7%	10%	11%

### Change in Estimates (%)

Y/E Mar	FY27E	FY28E
Sales	-3%	-3%
EBITDA	-3%	-3%
PAT	-13%	-6%

### Relative Performance



Source: Ace Equity, Axis Securities Research

### Results Gallery

[Q3FY26](#)

[Q2FY26](#)

[Q1FY26](#)

[Q4FY25](#)

**Shivani More**

Research Analyst

Shivani.more@axissecurities.in

## Outlook

AIL plans to make calibrated investments to expand its product pipeline, focusing on evolving market opportunities. As macro conditions stabilise, management expects capacity additions and entry into advanced chemistries to drive growth momentum and margin improvement. The company also aims to diversify its energy vertical, enhancing long-term business resilience.

## Valuation & Recommendation

While operational performance remains resilient, we have revised our earnings estimates for FY27–FY28. Accordingly, **we revise our rating on the stock to HOLD from BUY, with an unchanged target price of Rs 530/share, implying an 8% upside from the CMP. This denotes a valuation of 23x FY28E EPS.** The valuation reflects expectations of a gradual volume recovery, improving operating leverage, and disciplined capital allocation.

## Key Concall Highlights

**Performance drivers:** Revenue growth was volume-led across key products, supported by favourable industry dynamics in select value chains. EBITDA expansion was aided by cost optimisation initiatives. However, finance costs were impacted by a Rs 39 Cr forex-related loss due to the Rupee depreciation.

**Cost Pressures:** The quarter was marked by a sharp rise in other expenses, primarily driven by elevated global freight rates, an increase in export volumes (57% of total revenue), and longer routes to the US/EU.

**Tax Rate:** The effective tax rate for FY27 is expected to be in the range of 10-15%.

### Segmental Business Updates:

- **Energy Applications (~42% of revenue):** Volumes remain strong globally due to favourable blending economics, despite the Middle East shipment hurdles. Despite the Middle East disruptions, capacity utilisation remains high, and the expansion to 360 KTP is on track to be commissioned soon. The segment faces near-term margin volatility due to fluctuating gasoline-naphtha spreads.
- **Agrochemicals (~19% of revenue):** The segment demonstrated steady volume growth, though industry-wide margin pressures persist. The company has successfully held onto absolute spreads despite the rapid RM price increases, passing on costs gradually.
- **Polymers (~14% of revenue):** The segment is currently in a strong growth phase due to rising demand from the EV market, except for the MPDA product line, which is facing heavy Chinese competition.
- **Dyes & Pigments (~10% of revenue):** The segment constitutes 10-11% of total revenue. Global demand pressure is currently being offset by increased volumes in the domestic market.
- **Pharma (~10% of revenue):** Domestic demand is stable. The Chinese government's "anti-involution" policies are beginning to support volume and margin recoveries in the PNCB and NCB chains.

**Operational and Volume Trends:** The non-energy segment recorded a 9% YoY and 13% QoQ volume growth in Q4FY26, while the energy business witnessed a sharp rise of 98% YoY and a decline of 4% QoQ in volume. Higher volumes in energy application are driven by favourable blending economics and expanded capacities, along with increased volume across the US and EMEA regions.

**Export and Working Capital:** Exports accounted for over 57% of total revenue. Higher export intensity led to increased working capital requirements, resulting in elevated debt levels and finance costs. The working capital cycle expanded during Q4 due to elevated raw material prices and longer receivable days for US-bound exports. Working capital cycle expanded due to elevated raw material costs and longer receivables, with a targeted normalisation of 55–60 days.

**Net Debt:** Currently stands at ~Rs 4,300 Cr, translating to a Net Debt/EBITDA ratio of roughly 3.6x. Management expects net debt to decline in FY27 as capital expenditure tapers off and operating cash flow improves.

**Capex Guidance & Project Updates:** FY26 capex stood at ~Rs 1,125 Cr. For FY27, capex intensity is guided to decrease to Rs 700-800 Cr, which will primarily fund the completion of Zone 4, maintenance, and newly signed long-term contracts. The company expects its gross block to reach Rs 9,000 to R. 10,000 Cr by the end of FY27. Key projects, including Zone IV, PEDA, MMA debottlenecking, and DCB chain expansion, are progressing, albeit with minor delays due to labour and geopolitical disruptions. Capacity expansions in MMA (to 360 KTPA) and DCB (to 140 KTPA) remain key milestones.

**New Long-Term Contracts:** AIL signed two significant long-term contracts in Q4FY26 to strengthen long-term growth visibility.

- A backward integration initiative with a global chemical company, which will shift the relationship to an end-to-end manufacturing model (involving a Capex of ~Rs 200-250 Cr).
- A \$150 Mn multi-year supply contract with a global agrochemical innovator, extending through 31<sup>st</sup> March, 2030, which requires no significant incremental Capex.

**Outlook & Guidance:** Management reaffirmed its FY28 EBITDA guidance of Rs 1,800–2,200 Cr. Focus remains on cost optimisation, operating leverage, and monetisation of new capacities. Over the next three years, volume growth is expected to be capacity-led. The company continues to diversify its product mix and markets while strengthening cost structures. Leverage metrics are expected to improve, with Debt/EBITDA projected below 2.5x and ROCE targeted above 15% by FY28.

**Dividend:** The Board recommended a dividend of Rs 1 (20%) per Equity Share for the financial year ended 31<sup>st</sup> March, 2026.

### **Key Risks to Our Estimates and TP**

- Any delay in capacity expansion or existing projects may affect ROCE negatively.
- The global slowdown may affect volumes and value growth.
- Involvement in complex, risky chemistries has significant operational risks.

### Change in Estimates

	New		Old		% Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Sales	9,620	11,351	9,870	11,647	-3%	-3%
EBITDA	1,530	1,862	1,569	1,910	-3%	-3%
PAT	677	850	781	902	-13%	-6%

Source: Company, Axis Securities Research

### Q4FY26 Results Review

Particulars	Q4FY25	Q3FY26	Axis Sec Estimate (Rs Cr)	Q4FY26	% Change (YoY)	% Change (QoQ)	Variance (%)
<b>Sales</b>	<b>1,949</b>	<b>2,318</b>	<b>2,373</b>	<b>2,206</b>	<b>13%</b>	<b>-5%</b>	<b>-7%</b>
<b>Expenditure</b>							
COGS	1251	1531	1555	1321	6%	-14%	-15%
Employee Expenses	99	106	112	103	4%	-3%	-8%
Other Exp	331	360	392	440	33%	22%	12%
<b>Total Expenditure</b>	<b>1681</b>	<b>1997</b>	<b>2058</b>	<b>1864</b>	<b>11%</b>	<b>-7%</b>	<b>-9%</b>
<b>EBITDA</b>	<b>268</b>	<b>321</b>	<b>316</b>	<b>342</b>	<b>28%</b>	<b>7%</b>	<b>8%</b>
EBITDA Margin (%)	13.75%	13.85%	13.30%	15.50%	175bps	166bps	220bps
Depreciation	113	121	120	119	5%	-2%	-1%
Other Income	-3	2	5	0	-100%		
EBIT	152	202	201	223	47%	10%	11%
Interest	64	69	71	112	75%	62%	58%
Exceptional Item			0.0	0			
<b>PBT</b>	<b>88</b>	<b>133</b>	<b>130</b>	<b>111</b>	<b>26%</b>	<b>-17%</b>	<b>-14%</b>
Tax	-8	-15	6	-26	225%	73%	-501%
<b>PAT</b>	<b>96</b>	<b>148</b>	<b>123</b>	<b>137</b>	<b>43%</b>	<b>-7%</b>	<b>11%</b>
EPS (Rs)	2.6	3.7	3.4	3.8	43%	3%	11%

Source: Company, Axis Securities Research

## Financials (Consolidated)

### Profit & Loss

(Rs Cr)

Y/E March	FY24	FY25	FY26	FY27E	FY28E
<b>Net sales</b>	<b>6,372</b>	<b>7,271</b>	<b>8,286</b>	<b>9,620</b>	<b>11,351</b>
Cost of goods sold	3,880	4,655	5,349	6,108	7,151
Contribution (%)	39.1%	36.0%	35.4%	36.5%	37.0%
Employee Costs	404	422	422	491	579
Other Expenses	1,112	1,193	1,364	1,491	1,759
<b>EBITDA</b>	<b>977</b>	<b>1,001</b>	<b>1,151</b>	<b>1,530</b>	<b>1,862</b>
EBITDA Growth %	-10.3%	2.5%	15.0%	32.9%	21.7%
Other income	8	13	21	30	20
Depreciation	378	434	474	473	564
<b>EBIT</b>	<b>607</b>	<b>580</b>	<b>698</b>	<b>1,087</b>	<b>1,318</b>
Interest & Fin Chg.	211	275	340	359	329
E/o income / (Expense)	0	-2	-7	0	0
<b>Pre-tax profit</b>	<b>395</b>	<b>307</b>	<b>365</b>	<b>728</b>	<b>989</b>
Tax provision	-21	-24	-54	51	138
<b>Reported PAT</b>	<b>416</b>	<b>331</b>	<b>419</b>	<b>677</b>	<b>850</b>

Source: Company, Axis Securities Research

### Balance Sheet

(Rs Cr)

Y/E March	FY24	FY25	FY26	FY27E	FY28E
<b>Equity + Liabilities</b>					
Equity Capital	181	181	181	181	181
<b>Reserves &amp; Surplus</b>	<b>5,109</b>	<b>5,424</b>	<b>5,774</b>	<b>6,451</b>	<b>7,302</b>
<b>Total Equity</b>	<b>5,290</b>	<b>5,605</b>	<b>5,955</b>	<b>6,632</b>	<b>7,483</b>
<b>Long-term Borrowings</b>	<b>1,525</b>	<b>1,867</b>	<b>2,188</b>	<b>2,188</b>	<b>1,988</b>
Lease Liabilities	49	47	34	34	34
Other Non-Current Liabilities	175	127	84	84	84
<b>Total Non-Current Liabilities</b>	<b>1,749</b>	<b>2,042</b>	<b>2,306</b>	<b>2,306</b>	<b>2,106</b>
<b>Short-Term Borrowings</b>	<b>1,669</b>	<b>1,933</b>	<b>2,744</b>	<b>2,594</b>	<b>2,394</b>
Trade Payables	521	1,237	1,840	1,305	1,528
Provisions	40	16	15	15	15
<b>Others</b>	<b>346</b>	<b>280</b>	<b>439</b>	<b>439</b>	<b>439</b>
<b>Total Current Liabilities</b>	<b>2,576</b>	<b>3,466</b>	<b>5,038</b>	<b>4,353</b>	<b>4,376</b>
<b>Total Liabilities</b>	<b>4,325</b>	<b>5,508</b>	<b>7,344</b>	<b>6,659</b>	<b>6,482</b>
<b>Total Equity + Liabilities</b>	<b>9,615</b>	<b>11,114</b>	<b>13,299</b>	<b>13,292</b>	<b>13,965</b>
<b>ASSETS</b>					
<b>Gross Block</b>	<b>7,453</b>	<b>8,293</b>	<b>8,755</b>	<b>9,455</b>	<b>10,255</b>
Less: Depreciation	1,802	2,016	2,490	2,963	3,527
<b>Property, Plant &amp; Equipment</b>	<b>5,588</b>	<b>6,277</b>	<b>6,265</b>	<b>6,492</b>	<b>6,728</b>
Capital WIP	1,052	1,274	2,030	2,030	2,030
Right to Use Assets	53	51	37	37	37
Other Non-Current Assets	101	122	80	80	80
<b>Total Non-Current Assets</b>	<b>7,146</b>	<b>8,219</b>	<b>9,112</b>	<b>9,339</b>	<b>9,575</b>
<b>Current Assets</b>					
Inventories	1,160	1,454	1,732	1,581	1,866
Trade Receivables	826	786	1,403	1,186	1,399
<b>Cash</b>	<b>42</b>	<b>199</b>	<b>583</b>	<b>716</b>	<b>655</b>
Other Financial Assets	236	23	63	63	63
Current Tax Assets	77	14	13	13	13
Other Current Assets	40	323	367	367	367
<b>Total Current Assets</b>	<b>2,469</b>	<b>2,895</b>	<b>4,187</b>	<b>3,952</b>	<b>4,390</b>
<b>Total Assets</b>	<b>9,615</b>	<b>11,113</b>	<b>13,299</b>	<b>13,292</b>	<b>13,965</b>

Source: Company, Axis Securities Research

**Cash Flow**
**(Rs Cr)**

Y/E March	FY24	FY25	FY26	FY27E	FY28E
<b>Profit Before Tax</b>	<b>395</b>	<b>305</b>	<b>358</b>	<b>728</b>	<b>989</b>
Finance Cost	211	275	340	359	329
Depreciation	378	434	474	473	564
(Inc)/Dec in Working Capital	323	230	-409	-167	-275
Tax Paid	(86)	6.9	3.0	(51)	(138)
<b>Cash Flow from Operations</b>	<b>1,209.6</b>	<b>1,241.9</b>	<b>781.0</b>	<b>1,341.6</b>	<b>1,467.9</b>
Change in Gross Block	-1,328	-1,386	-1,124	-700	-800
(Inc)/Dec in Investments	22	7	3	0	0
<b>Cash Flow from Investing</b>	<b>-1,369</b>	<b>-1,398</b>	<b>-1,142</b>	<b>-700</b>	<b>-800</b>
Inc/(Dec) in Loans	686	239	998	(150)	(400)
Finance Cost	(211)	(275)	(217)	(359)	(329)
<b>Cash Flow from Financing</b>	<b>420</b>	<b>(73)</b>	<b>745</b>	<b>(509)</b>	<b>(729)</b>
Net Inc/Dec in Cash	261	-229	384	133	-61
Opening Cash	167	428	199	583	716
<b>Closing Cash</b>	<b>428</b>	<b>199</b>	<b>583</b>	<b>716</b>	<b>655</b>

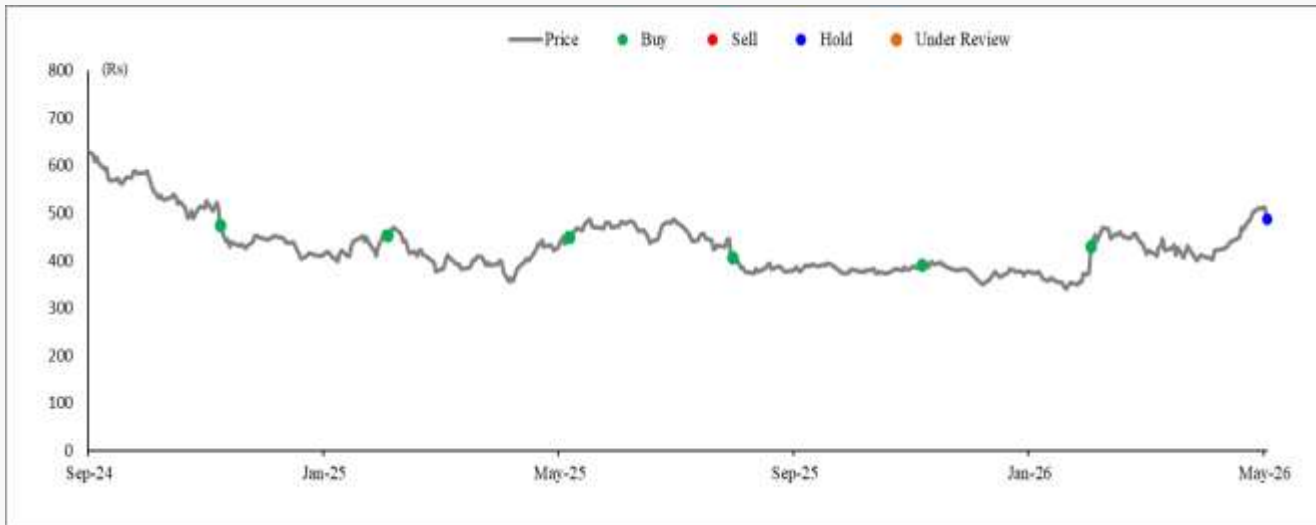
Source: Company, Axis Securities Research

**Ratio Analysis**
**(%)**

Y/E March	FY24	FY25	FY26	FY27E	FY28E
<b>Sales growth</b>	<b>(4)</b>	<b>14</b>	<b>14</b>	<b>16</b>	<b>18</b>
<b>OPM</b>	<b>15</b>	<b>14</b>	<b>14</b>	<b>16</b>	<b>16</b>
Oper. profit growth	(10)	2	15	33	22
COGS / Net sales	61	64	65	64	63
Overheads/Net sales	6	6	5	5	5
Depreciation / G. block	5	5	5	5	6
<b>RoCE</b>	<b>7%</b>	<b>6%</b>	<b>6%</b>	<b>10%</b>	<b>11%</b>
Debt/equity (x)	0.7	0.7	0.8	0.7	0.6
Effective tax rate	(5)	(8)	(15)	7	14
<b>RoE</b>	<b>8%</b>	<b>6%</b>	<b>7%</b>	<b>10%</b>	<b>11%</b>
Payout ratio (Div/NP)	23	28	23	14	11
<b>EPS (Rs)</b>	<b>11.5</b>	<b>9.5</b>	<b>11.6</b>	<b>18.7</b>	<b>23.5</b>
EPS Growth	(24)	(17)	21	62	26
CEPS (Rs)	22	21	25	32	39
<b>Valuation (x)</b>					
P/E	42.6	51.4	42.3	26.2	20.8
P/BV	3.4	3.2	3.0	2.7	2.4
EV/EBITDA	21.4	21.3	19.2	14.2	11.5
Mcap/Sales	2.8	2.4	2.1	1.8	1.6

Source: Company, Axis Securities Research

## Aarti Industries Price Chart and Recommendation History



Date	Reco	TP	Research
11-Nov-24	BUY	540	Result Update
04-Feb-25	BUY	525	Result Update
09-May-25	BUY	540	Result Update
04-Aug-25	BUY	525	Result Update
07-Nov-25	BUY	530	Result Update
04-Feb-26	BUY	530	Result Update
06-May-26	HOLD	530	Result Update

Source: Axis Securities Research

Axis Direct is the brand under Axis Securities Limited, which is a 100% subsidiary of Axis Bank Limited. 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 the 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.- INP00000654 | Investment Advisor Reg No. INA00000615 | SEBI-Research Analyst Reg. No. INH00000297 | 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](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 at [helpdesk@axisdirect.in](mailto:helpdesk@axisdirect.in).

We hereby declare that our activities have neither been suspended nor have we defaulted with any stock exchange authority with whom we are registered in the last five years. However, SEBI, Exchanges, Clearing Corporations and Depositories, etc. have conducted the routine inspection and based on their observations have issued advice/warning/show cause notices/deficiency letters/ or levied penalty or imposed charges for certain deviations observed in inspections or in the 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 in time.

Investments in the 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 a favourable view for a particular industry or sector or business group in any manner.

Registration granted by SEBI, membership of RAASB (in case of RA's) 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 the USA or any jurisdiction where such an offer or solicitation would be illegal.

Subject company(ies) may have been clients during the 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 notice. The report and information contained herein are 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 for 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 the 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 are solely for informational purposes 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/or 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 the needs of the 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 the 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 a 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 services 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 minimise conflict in the preparation of research reports. Axis Securities or its associates, or its analysts, did not receive any compensation or other benefits from the companies mentioned in the report or a third party in connection with the 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 from 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 the 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 per cent or more or other material conflicts 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 conclusions 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 centre 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 positions in the above-mentioned scrip(s) and therefore may be considered as interested. This should not be construed as an invitation or solicitation to do business with Axis Securities. Axis Securities is also a Portfolio Manager. Portfolio Management Team (PMS) takes its investment decisions independently of the PCG research, and accordingly, PMS may have positions contrary to the PCG research recommendation.

This research report is issued in India by Axis Securities Limited in accordance with the Securities and Exchange Board of India (Research Analysts) Regulations, 2014. It is intended solely for persons residing in India. The report is not directed at or intended for distribution to, or use by, any person or entity resident in the United States of America, Canada, or in any jurisdiction where such distribution, publication, availability, or use would be contrary to applicable securities laws, including the U.S. Securities Exchange Act of 1934, regulations of the U.S. Securities and Exchange Commission (SEC), and regulations of the Canadian Securities Administrators (CSA).

**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 a 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, valuations or recommendations for the stock.

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