

Expect Flattish MHCV Industry Volumes in FY25E

Est. Vs. Actual for Q1FY25: Revenue – **INLINE**; EBITDA – **Miss**; PAT – **Miss**.

Change in Estimates post Q1FY25

FY25E/FY26E: Revenue:-0.2%/-0.2%; EBITDA: -2.5%/0.5%; PAT:-1.4%/0.9%

Recommendation Rationale

- **CV Industry Outlook:** We expect the domestic CV industry growth outlook to remain subdued in the near term owing to the high base of last year; however, long-term demand appears moderately favourable, backed by i) A strong macroeconomic environment, ii) Healthy replacement demand (specifically in the passenger vehicles), iii) Good traction on infrastructure projects, iv) The vehicle scrappage policy, and v) Stable freight demand.
- **LCV Business:** AL aims to expand its addressable footprint from 50% to 80% of the domestic market. The company has launched two models in Q1FY25 and is expected to launch four more by Mar'25 covering the white spaces in the portfolio (Switch India has started delivery of e-LCV in Q4FY24 and will further launch new products/platforms over the next few quarters).
- **Target of mid-teens EBITDA Margins:** AL reported 10.6% EBITDA margins in Q1FY25 (vs 12% in FY24) and the management is confident of achieving the mid-teen EBITDA margins target over the medium term. We estimate 13% EBITDA margins approximately on account of i) Expected stability in commodity prices, ii) Improving net sales realisations on pricing discipline, iii) Cost reduction efforts and iv) Growth in International business, Defence, Power Solutions, and Aftermarket which are higher-margin businesses.

Sector Outlook: Cautiously Positive

Company Outlook & Guidance: AL is focused on gaining market share by improving its India presence, and meeting customers' requirements by investing in product development of diverse powertrain technologies. Furthermore, optimizing operational efficiencies, material cost reduction efforts and pricing discipline are expected to generate strong positive cash flows.

Current Valuation: 17x P/E on Sep'26E EPS and Rs 21/share for stake in HLF Ltd. (earlier 17x PE on FY26E EPS and 17/share in HLF Ltd)

Current TP: Rs 230/share (earlier Rs 222/share)

Recommendation: The CV industry has grown at a CAGR of ~19% over FY21-24. After a strong upcycle, we factor stability in tonnage capacity within the industry over the next few quarters because of a high base. Thus, we maintain our HOLD rating on the stock with a limited upside potential.

Financial Performance: In Q1FY25, Ashok Leyland reported revenue in line with our estimates while EBITDA/PAT were a miss. Revenue grew by 5% YoY (down 24% QoQ), led by 6% volume growth and flattish ASP. EBITDA grew by 11% YoY (down 43% QoQ) to Rs 911 Cr, a 6.6% miss on our estimate mainly due to higher other manufacturing expenses. EBITDA margin stood at 10.6%, up 57bps YoY (down 354bps QoQ) against our estimate of 11.2%. Adj. PAT missed our estimates by 14.5% largely following the EBITDA and lower other income.

Outlook: Though we remain positive on the long-term prospects of AL, factoring in the slowing industry momentum, we arrive at a conservative volume guidance of 4% CAGR volume growth over FY24-27E. We estimate AL to post Revenue/EBITDA/PAT growth of 6%/6%/11% CAGR over FY24-27E.

Valuation & Recommendation: We maintain our HOLD rating on the stock with the TP at Rs 230/share (earlier Rs 222/share); valuing the stock at 17x P/E on Sep'26E EPS (11x FY26 EV/EBITDA) and assign Rs 21/share (earlier Rs 17/share) for stake in Hinduja Leyland Finance Ltd.

Key Financials (Standalone)

(Rs Cr)	Q1FY25	QoQ (%)	YoY (%)	Axis Est.	Variance
Net Sales	8,599	-23.7%	5.0%	8,715	-1.3%
EBITDA	911	-42.8%	11.0%	975	-6.6%
EBITDA Margin	10.6%	-354 bps	57 bps	11.2%	-60 bps
Adj Net Profit	526	-44.6%	-8.9%	615	-14.5%
Adj EPS (Rs)	1.79	-44.6%	-8.9%	2.09	-14.5%

Source: Company, Axis Securities Research

(CMP as of 26th July 24)

CMP (Rs)	246
Upside /Downside (%)	-6.4%
High/Low (Rs)	248/158
Market cap (Cr)	72,339
Avg. daily vol. (6m)Shrs.	1,85,06,996
No. of shares (Cr)	293.64

Shareholding (%)

	Dec-23	Mar-24	Jun-24
Promoter	51.53	51.52	51.52
FII	20.48	21.45	22.03
Mutual Funds / UT	8.71	5.84	6.80
Others	0.12	0.24	0.07
Total	100.0	100.0	100.0

Financial & Valuations

Y/E Mar (Rs Cr)	FY25E	FY26E	FY27E
Net Sales	41,093	43,039	45,077
EBITDA	5,132	5,425	5,556
Adj. Net Profit	3,049	3,499	3,597
EPS (Rs.)	10.4	11.9	12.2
PER (x)	23.7	20.7	20.1
EV/EBITDA (x)	13.8	12.2	11.4
P/BV (x)	6.3	4.9	4.0
ROE (%)	29.5	26.3	21.7

Change in Estimates (%)

Y/E Mar	FY25E	FY26E
Sales	-0.2%	-0.2%
EBITDA	-2.5%	0.5%
PAT	-1.4%	0.9%

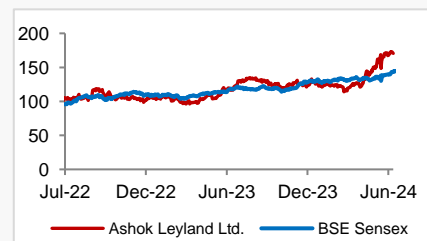
ESG disclosure Score**

Environmental Disclosure	74.1
Social Disclosure Score	50.6
Governance Disclosure Score	84.9
Total ESG Disclosure Score	69.9
Sector Average	48.8

Source: Bloomberg, Scale: 0.1-100

**Note: This score measures the amount of ESG data a company reports publicly and does not measure the company's performance on any data point. All scores are based on 2022 disclosures, Sector average is for NSE500 companies

Relative performance



Source: Ace Equity, Axis Securities

Shridhar Kallani

Automobile Industry

Email: shridhar.kallani@axissecurities.in

Key Highlights

- **Volume Performance:** Overall volumes for AL were up 6.2% YoY at 43,893 units in Q1FY25. The company's domestic MHCV Passenger segment in Q1 grew by 82% YoY, while the domestic MHCV Goods segment decreased by 3% in Q1FY25. The domestic LCV segment grew by 3.5% YoY in Q1FY25.
- **Commodity Outlook:** As per the management, commodity prices like steel are expected to remain largely stable in the near term, and no provision is required in Q2FY25.
- **EV Outlook:** The company's focus is to get Switch Mobility into a strong mode by developing products for both Buses and LCVs. At the operating level, Switch India is expected to be self-sufficient and become cash-positive/neutral to meet its operational requirements. (Switch UK may need investment support in FY25 as the UK market does not show strength.)
- **Defense, Power Solution and Spares Business:** The defence segment revenue was slightly below Rs 1,000 Cr in FY24, and the management expects it to double over the next two to three years, led by a strong order pipeline and visibility for FY25/26E (similar commentary received from Bharat Forge management).
- **Others:**
 - **Capex for FY25/26** is expected to be ~Rs 500-700 Cr approximately.
 - **Debt:** The company had negligible standalone net Debt at the end of FY24.
 - **Tax Rate:** The tax rate is likely to move to a lower slab of 25% from FY26 onwards.
 - **Hinduja Leyland Finance Ltd:** The overall AUM is approximately 51,500 Cr (including the Housing Finance business). The management stated that HLFL will be reverse-merged into NXTDIGITAL and the restructuring is expected to be completed in the Current FY25E.

Key Risks to Our Estimates and TP

- An increase in commodity prices impacting the gross margins of the business, thereby impacting our TP and Rating.
- Slower than expected industry growth.

Change in Estimates

	Revised			Old			% Change		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Sales	41,093	43,039	45,077	41,179	43,129	-	-0.2%	-0.2%	-
EBITDA	5,132	5,425	5,556	5,263	5,398	-	-2.5%	0.5%	-
PAT	3,049	3,499	3,597	3,092	3,470	-	-1.4%	0.9%	-

Source: Company, Axis Securities Research

Q1FY25 Results Review

YE March (Rs Cr)	Q1FY24	Q4FY24	Axis Sec Estimates	Q1FY25E	YoY (%)	QoQ (%)	Axis Sec Var (%)
M&HCV	24,286	34,716	26,214	26,214	7.9%	-24.5%	
LCV	14,821	17,951	15,345	15,345	3.5%	-14.5%	
Total Domestic	39,107	52,667	41,559	41,559	6.3%	-21.1%	
M&HCV	2,517	2,139	1,671	1,671	-33.6%	-21.9%	
LCV	419	762	663	663	58.2%	-13.0%	
Total Exports	2,222	3,602	2,334	2,334	5.0%	-35.2%	
Total Volume (units)	41,329	56,269	43,893	43,893	6.2%	-22.0%	0.0%
	Q1FY24	Q4FY24	Q1FY25E	Q1FY25E	YoY (%)	QoQ (%)	Axis Sec Var (%)
Net Sales	8,189	11,267	8,715	8,599	5.0%	-23.7%	-1.3%
ASP (Rs/vehicle)	19,81,488	20,02,291	19,85,451	19,58,975	-1.1%	-2.2%	-1.3%
Less:							
Net Raw Material consumed	6,037	8,091	6,292	6,205	2.8%	-23.3%	-1.4%
Other Manufacturing & Sales Exp.	794	1,030	845	933	17.6%	-9.4%	10.4%
Personnel	538	554	602	550	2.3%	-0.7%	-8.7%
Total Expenditure	7,369	9,675	7,739	7,688	4.3%	-20.5%	-0.7%
EBITDA	821	1,592	975	911	11.0%	-42.8%	-6.6%
Less: Depreciation	179	180	179	173	-3.7%	-3.9%	-3.7%
EBIT	641	1,412	796	738	15.1%	-47.7%	-7.3%
Less: Interest	70	59	53	59	-15.5%	-0.3%	11.9%
Add: Other income	51	118	99	22	-56.4%	-81.1%	-77.4%
Profit Before Extraordinary Items and Tax	623	1,471	842	701	12.6%	-52.3%	-16.7%
Less: Extraordinary Expense/(Income)	1	70	-	-	-	-	NA
Profit Before Tax	622	1,401	842	701	12.8%	-49.9%	-16.7%
Less: Total Tax	46	501	227	176	284.9%	-64.9%	-22.7%
Profit After Tax	576	900	615	526	-8.8%	-41.6%	-14.5%
Adj. PAT	577	949	615	526	-8.9%	-44.6%	-14.5%
Shares Outstanding (Cr)	294	294	294	294	0.0%	0.0%	0.0%
Reported EPS (Rs.)	2.0	3.1	2.1	1.8	-8.8%	-41.6%	-14.5%
Adj. EPS (Rs.)	2.0	3.2	2.1	1.8	-8.9%	-44.6%	-14.5%
Margin Analysis	Q1FY24	Q4FY24	Axis Sec Estimates	Q1FY25E	Change in bps	Change in bps	Change in bps
Gross Margins	26.3%	28.2%	27.8%	27.8%	156bps	-35bps	4bps
EBITDA Margin	10.0%	14.1%	11.2%	10.6%	57bps	-354bps	-60bps
Adj. NPM	7.0%	8.4%	7.1%	6.1%	-93bps	-231bps	-94bps
Effective Tax Rate	7.3%	34.1%	27.0%	25.1%	1773 bps	-899bps	-193bps
Cost Analysis							
RM/Net Sales	73.7%	71.8%	72.2%	72.2%	-156 bps	35bps	-4bps
Other Mfg & Sales Exp/Net Sales	9.7%	9.1%	9.7%	10.9%	116bps	171bps	115bps
Personnel/Net Sales	6.6%	4.91%	6.9%	6.4%	-17 bps	148bps	-52bps

Source: Company, Axis Securities Research.

Financials (Standalone)

Profit & Loss

(Rs Cr)

Y/E March (Rs Cr)	FY24	FY25E	FY26E	FY27E
Net revenues	38,367	41,093	43,039	45,077
Operating expenses	33,760	35,961	37,614	39,521
EBIDTA	4,607	5,132	5,425	5,556
EBIDTA margin (%)	12.0	12.5	12.6	12.3
Other income	247	192	234	234
Interest	249	206	132	132
Depreciation	718	776	798	798
Profit Before Tax	3,792	4,343	4,729	4,860
Tax	1,174	1,294	1,230	1,264
Reported Net Profit	2,618	3,049	3,499	3,597
Net Margin (%)	6.8	7.4	8.1	8.0
Adjusted Net Profit	2,618	3,049	3,499	3,597

Source: Company, Axis Securities Research

Balance Sheet

(Rs Cr)

Y/E March (Rs Cr)	FY24	FY25E	FY26E	FY27E
Equity capital	294	294	294	294
Reserves & surplus*	8,517	11,272	14,477	17,781
Shareholders funds	8,810	11,565	14,771	18,074
Total Loans	2,255	1,955	1,655	1,355
Deferred tax liability	556	556	556	556
Total Liabilities and Equity	11,621	14,076	16,982	19,985
Gross block	10,972	11,423	11,923	12,423
Depreciation	4,469	5,245	6,043	6,841
Net block	6,502	6,178	5,880	5,582
Capital WIP	202	250	250	250
Investments	5,560	5,760	5,960	6,160
Inventory	3,191	3,149	2,948	3,087
Debtors	3,570	4,278	4,127	4,322
Cash & Bank Bal	3,438	3,503	7,461	10,191
Loans & Advances	1,149	2,559	3,069	3,599
Current Assets	11,348	13,490	17,605	21,200
Sundry Creditors	6,305	6,716	7,729	8,121
Other Current Liability	5,685	4,885	4,984	5,086
Current Liability & Provisions	11,991	11,601	12,713	13,207
Net current assets	(642)	1,889	4,892	7,993
Total Assets	11,621	14,076	16,982	19,985

Source: Company, Axis Securities Research.

Cash Flow

(Rs Cr)

Y/E March (Rs Cr)	FY24	FY25E	FY26E	FY27E
EBIT	3,889	4,356	4,627	4,758
Other Income	247	192	234	234
Depreciation & Amortization	718	776	798	798
Interest paid(-)	-249	-206	-132	-132
Tax paid(-)	-1,174	-1,294	-1,230	-1,264
Extra Ord Income	-94	0	0	0
Operating Cash Flow	3,336	3,825	4,297	4,395
Change in Working Capital	1,958	-2,466	954	-371
Cash flow from Operations	5,294	1,359	5,252	4,024
Capex	-354	-500	-500	-500
Investment	1,104	-200	-200	-200
Cash flow from Investing	749	-700	-700	-700
Change in borrowing	-926	-300	-300	-300
Others	-1,887	0	0	0
Dividends paid(-)	-294	-294	-294	-294
Cashflow from Financial Activities	-3,106	-594	-594	-594
Change in Cash	2,937	65	3,958	2,730
Opening cash	501	3,438	3,503	7,461
Closing cash	3,438	3,503	7,461	10,191

Source: Company, Axis Securities Research

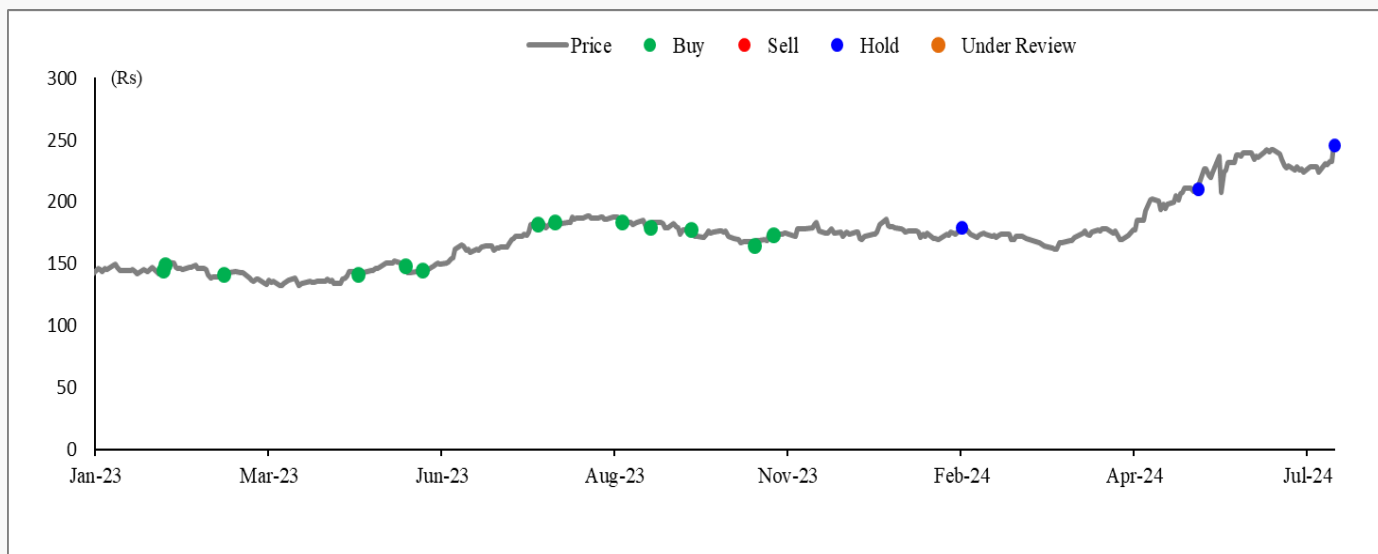
Ratio Analysis

(%)

Y/E March	FY24	FY25E	FY26E	FY27E
Revenue Growth	6.2	7.1	4.7	4.7
EBITDA Margin	12.0	12.5	12.6	12.3
Net Profit Margin	6.8	7.4	8.1	8.0
ROCE (%)	22.6	24.0	22.5	19.5
ROE (%)	29.9	29.5	26.3	21.7
EPS	8.9	10.4	11.9	12.2
P/E (x)	19.2	23.7	20.7	20.1
P/ BV (x)	5.7	6.3	4.9	4.0
EV/ EBITDA (x)	10.6	13.8	12.2	11.4
Fixed Assets Turnover Ratio (x)	7.6	8.7	9.7	10.9
Debt / Equity (x)	0.3	0.2	0.1	0.1
EV/ Sales (x)	1.3	1.7	1.5	1.4

Source: Company, Axis Securities Research

Ashok Leyland Price Chart and Recommendation History



Source: Axis Securities research

Date	Reco	TP	Research
01-Jan-23	BUY	175	Top Picks
02-Feb-23	BUY	175	Top Picks
03-Feb-23	BUY	175	Result Update
01-Mar-23	BUY	175	Top Picks
01-Apr-23	BUY	175	Top Picks
01-May-23	BUY	175	Top Picks
24-May-23	BUY	175	Result Update
01-Jun-23	BUY	175	Top Picks
01-Jul-23	BUY	190	Top Picks
25-Jul-23	BUY	210	Result Update
01-Aug-23	BUY	210	Top Picks
01-Sep-23	BUY	210	Top Picks
15-Sep-23	BUY	210	Company Update
03-Oct-23	BUY	210	Top Picks
01-Nov-23	BUY	210	Top Picks
10-Nov-23	BUY	205	Result Update
06-Feb-24	HOLD	185	Result Update
27-May-24	HOLD	222	Result Update
29-Jul-24	HOLD	230	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, and 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. Jatin Sanghani, Tel No. – 022-68555574, Email id – compliance.officer@axisdirect.in.; Registered Office Address – Axis House, 8th Floor, Wadia International Centre, P.B. Marg, Worli, Mumbai-400025.

Corporate Office Address – Axis Securities Limited, Unit No.002 A, Ground Floor, Agastya Corporate Park- Piramal Realty, Near Phoenix Market City Mall, Kurla (W), Mumbai – 400070.

Administrative office address: Aurum Q Paré, 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.

List of Research Analyst (Fundamental):

Sr. No	Name	Designation	Sector	E-mail
1	Neeraj Chadawar	Head of Research	All Sectors	neeraj.chadawar@axissecurities.in
2	Preeyam Tolia	Research Analyst	FMCG and Retail, Real Estate	preeyam.tolia@axissecurities.in
3	Omkar Tanksale	Research Analyst	IT, Telecom, Internet	omkar.tanksale@axissecurities.in
4	Uttamkumar Srimal	Research Analyst	Cement, Infra, Railway	uttamkumar.srimal@axissecurities.in
5	Ankush Mahajan	Research Analyst	Pharmaceutical, Hospital, Hotel	ankush.mahajan@axissecurities.in
6	Dnyanada Vaidya	Research Analyst	BFSI	dnyanada.vaidya@axissecurities.in
7	Aditya Welekar	Research Analyst	Metal and Mining, Power Utilities	aditya.welekar@axissecurities.in
8	Sani Vishe	Research Analyst	Chemicals Capital Goods, Mid-cap	sani.vishe@axissecurities.in
9	Eesha Shah	Research Analyst	Real Estate, Special Situation	eesha.shah@axissecurities.in
10	Shridhar Kallani	Research Associate	Auto and Auto ancillaries	shridhar.kallani@axissecurities.in
11	Shikha Doshi	Research Associate	Cement, Infra, Railway	shikha.doshi@axissecurities.in
12	Suhanee Shome	Research Associate	FMCG and Retail	suhanee.shome@axissecurities.in
13	Shivani More	Research Associate	Chemicals Capital Goods, Mid-cap	shivani.more@axissecurities.in
14	Pranav Nawale	Research Associate	BFSI	pranav.nawale@axissecurities.in
15	Darsh Solanki	Research Associate	Metal and Mining, Power Utilities	darsh.solanki@axissecurities.in
16	Arundhati Bagchi	Research Associate	Database Analyst, Economy	Arundhati.Bagchi@axissecurities.in