Inflation Weighs on Margins; Maintain HOLD

Est. Vs. Actual for Q2FY27: Revenue – BEAT ; EBITDA – MISS ; PAT – MISS

Changes in Estimates post Q2FY27

FY27E/FY28E: Revenue: 0%/0%; **EBITDA:** -4%/-4%; **PAT:** -5%/-5%

Recommendation Rationale

- **Revenue Performance:** Jyothy Labs reported 3.3% YoY revenue growth to Rs 760 Cr in Q2FY27. Reported volumes declined marginally due to the discontinuation of Pril and Fa brands following the expiry of its licensing agreement with Henkel on 31st May, 2026. Excluding these brands, revenue and volume growth stood at 12.4% and 8.1%, respectively. Growth was broad-based across segments, led by Fabric Care at 10.4% value growth, while detergent powders and bars also maintained healthy momentum.
- **Margin Pressure Persists:** Jyothy Labs continued to face significant margin pressure, with HDPE and polypropylene prices rising 55–60% from pre-West Asia conflict levels. Packaging accounts for 18–20% of its cost base, while crude and crude derivatives constitute ~60–65% of its raw material consumption. Consequently, gross margin contracted 1,328bps YoY to 34.8%, while EBITDA margin declined 1,355bps to 2.5%, further impacted by higher freight costs and supply-chain disruptions. The company's ~4–4.5% price hikes since the onset of the conflict were insufficient to offset the sharp input cost inflation.
- **Management Outlook:** Despite the impact of the Pril and Fa brand exits on reported performance, Jyothy Labs sustained underlying growth through a favourable portfolio mix, new launches and improved product positioning. Management remains focused on driving growth in Fabric Care, particularly liquid detergents and fabric conditioners, while building on Exo's momentum. Margin recovery will be supported by improving Household Insecticides profitability through Maxo Agarbatti and Margo, selective price hikes and grammage adjustments, disciplined procurement, value engineering and cost controls. Continued investments in brand building and omnichannel distribution are expected to support sustained growth

Sector Outlook: Cautious

Company Outlook & Guidance: Though the company's long-term outlook remains strong, we remain cautious over the short term due to cost inflation pressure, and hence cut our margins for FY27/FY28 estimates and **maintain our HOLD stance.**

Current Valuation: 27x Sep'28E EPS (Earlier Valuation: 27x Jun'28E EPS)

Current TP: Rs 200/share (Earlier TP: Rs 205/share).

Recommendation: We **maintain our HOLD rating** on the stock and **revise our TP to Rs 200/share. The TP implies an upside potential of 6% from the CMP.**

Financial Performance

Jyothy Labs reported revenue grew by 3.3% YoY. Excluding Fa and Pril, revenue grew 12.4% in value and 8.1 % in volume. Gross margins contracted by 1,328 bps YoY to 34.8% due to elevated input costs. EBITDA came in at Rs 19 Cr, down 83.8% YoY, with margins declining 1,355 bps YoY to 2.5%. Adjusted PAT stood at Rs 11 Cr, registering an ~88% YoY decline.

Key Financials (Consolidated)

(Rs Cr)	Q2FY27	QoQ (%)	YoY (%)	Axis Est.	Variance
Net Sales	760	(1.7)	3.3	743	2.2
EBITDA	19	(70.4)	(83.8)	62	(69.2)
EBITDA Margin	2.5	-584 bps	-1355 bps	8.4	-586 bps
Net Profit	11	(77.7)	(87.9)	47	(77.4)
EPS (Rs)	0.3	(77.7)	(87.9)	1.3	(77.4)

Source: Company, Axis Securities Research

(CMP as of 04th November, 2026)

CMP (Rs)	188
Upside /Downside (%)	6%
High/Low (Rs)	319/171
Market cap (Cr)	6915
Avg. daily vol. (6m) Shrs'000.	912
No. of shares (Cr)	36.7

Shareholding (%)

	Mar-26	Jun-26	Sep-26
Promoter	62.9	62.9	62.9
FIIs	12.4	12.1	14.5
MFs / UTI	13.2	12.0	8.0
Banks / FIs	0.0	0.0	0.0
Others	11.6	13.0	14.6

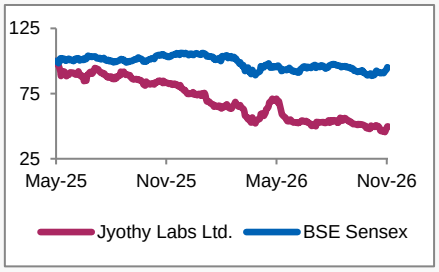
Financial & Valuations

Y/E Mar (Rs Cr)	FY26	FY27E	FY28E
Net Sales	2,944	3,092	3,277
EBITDA	450	340	367
Net Profit	333	244	263
EPS (Rs)	9.0	6.6	7.2
PER (x)	21	28	26
EV/EBITDA (x)	14	18	16
P/BV (x)	4	4	4
ROE (%)	21.0	14.0	13.9

Change in Estimates (%)

Y/E Mar	FY27E	FY28E
Sales	0%	0%
EBITDA	-4%	-4%
PAT	-5%	-5%

Relative Performance



Source: Ace Equity, Axis Securities Research

Results Gallery

Q1FY27
Q4FY26
Q3FY26
Q2FY26

Suhanee Shome
Research Analyst
suhanee.shome@axissecurities.in

Urmi Shah
Research Associate
urmi.shah@axissecurities.in

Outlook & Valuation

Management views the current challenges as transitory and is prioritising volume growth over aggressive pricing to protect consumer affordability and brand equity. Near-term focus remains on recovering margins through calibrated pricing, cost optimisation and a favourable product mix, while the long-term revenue target of Rs 5,000 Cr is expected to be driven by new product launches and deeper market penetration. Jyothy's zero-debt balance sheet and healthy cash reserves provide sufficient flexibility to fund growth initiatives and pursue strategic acquisitions. We remain constructive on the long-term outlook, supported by premiumisation in Detergents and Dishwash, expansion in Body Wash, scaling of LUPs and stronger distribution reach. **However, considering the near-term margin pressures, we maintained our HOLD rating, with a revised TP of Rs 200/share, implying 6% upside from CMP.**

Segment-wise Performance

The company has re-alinged it's cores segments – Fabric Care, Home Care, Personal Care.

- **Fabric Care (51% of Revenue)**: The Fabric Care segment maintained solid growth momentum during the quarter, posting a 10.4% increase in value and 6.4% in volume. Performance was broad-based, led by strong consumer adoption of liquid detergents across key brands including Henko, Ujala, Morelight, and Mr. White, with detergent powders, bars, and Ujala Young and Fresh fabric conditioner also showing healthy traction. Moving forward, the company remains focused on solidifying its core laundry positions through regular innovation, wider distribution, and sustained marketing support.
- **Home Care (37% of Revenue):** Excluding Pril sales, the Home Care division generated robust underlying growth of 15.3% in value and 13.1% in volume, driven by expanding distribution and strong demand for the Exo brand. The newly launched bio-enzyme Exo Dishwash Liquid gained promising traction across channels, reinforcing efforts to scale the dishwash category. Meanwhile, in Household Insecticides, the company introduced a government-approved Maxo Agarbatti to tap into demand for regulated mosquito repellents, with strategic priorities centred on scaling new formats, improving the product mix, and steadily restoring category profitability.
- **Personal Care (12% of Revenue):** Personal Care delivered an 11.2% rise in value, though volumes contracted marginally due to selective pricing measures and a high comparative base from the previous year's GST transition. Targeted brand investments and stronger retail visibility continued to bolster the Margo franchise. To tap into premium cleansing formats, the company expanded the portfolio in select markets with Margo Gentle, a glycerine-based soap offered in Argan Oil and Moringa Oil variants.

Other Key Highlights from the Concall

- **Launched Margo Gentle,** a glycerin bathing soap in argan oil and moringa oil variants in select markets. However, sharp increases in palm oil, neem oil, and other ingredients affected profitability.
- **The company continues to prioritise investment in profitable organic growth** while selectively evaluating complementary acquisition opportunities.
- **General Trade growth** remained muted amid weak urban demand, while premiumisation is a key driver for growth in New Age channels; innovation, new launches, and disciplined cost management are expected to support long-term growth.
- The company aims to increase the contribution of Personal Care and drive premiumisation across categories.
- **A&P spending,** moderated in recent quarters due to input-cost inflation, is expected to increase going forward to support brand building and sustainable growth.

Key Risks to Our Estimates and TP

- Prolonged recovery in urban/rural, raw material inflation, crude oil volatility and an increase in competitive intensity.

Change in Estimates

	Old Est.		Revised Est.		% Revision	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	3,092	3,277	3,092	3,277	0%	0%
EBITDA	355	384	340	367	-4%	-4%
PAT	256	276	244	263	-5%	-5%
EPS	6.9	7.5	6.6	7.2	-4%	-5%

Source: Company, Axis Securities Research

Results Review

(Rs Cr)	Q2FY26	Q1FY27	Axis Est.	Q2FY27	% Change (YoY)	% Change (QoQ)	Var (%) Axis Sec Est.
Net Sales	**736**	**773**	**743**	**760**	**3.3**	**(1.7)**	**2.2**
Gross Profit	**354**	**298**	**308**	**264**	**(25.3)**	**(11.3)**	**(14.1)**
Gross Margin (%)	**48.1**	**38.5**	**41.4**	**34.8**	**-1328 bps**	**-377 bps**	**-659 bps**
Employee Expenses	85	88	92	90	5.7	1.5	(2.1)
Ad-spends	61	51	63	57	(8.1)	11.6	(9.9)
Other Expenses	89	95	91	99	11.0	4.7	8.8
EBITDA	**118**	**65**	**62**	**19**	**(83.8)**	**(70.4)**	**(69.2)**
EBITDA Margin (%)	**16.1**	**8.4**	**8.4**	**2.5**	**-1355 bps**	**-584 bps**	**-586 bps**
Oth. Inc	17	18	19	16	(8.0)	(11.4)	(15.7)
Interest	1	1	1	1	(2.2)	10.8	5.6
Depreciation	15	16	17	17	12.4	5.8	0.8
EO Items	-	-	-	-			
PBT	**119**	**65**	**63**	**16**	**(86.2)**	**(74.8)**	**(73.8)**
Tax	31	17	16	6	(81.3)	(66.7)	(63.1)
Reported PAT	**88**	**48**	**47**	**11**	**(87.9)**	**(77.7)**	**(77.4)**
EPS	**2.4**	**1.3**	**1.3**	**0.3**	**(87.9)**	**(77.7)**	**(77.4)**

Source: Company, Axis Securities Research

Financials (Consolidated)

Profit & Loss

(Rs Cr)

Y/E March	FY26	FY27E	FY28E	FY29E
Net sales	**2,944**	**3,092**	**3,277**	**3,474**
Growth, %	3.4	5.0	6.0	6.0
Other operating income	-	-	-	-
Total income	2,944	3,092	3,277	3,474
Raw material expenses	(1,562)	(1,749)	(1,837)	(1,929)
Employee expenses	(341)	(365)	(391)	(418)
Other Operating Expenses	(591)	(637)	(682)	(730)
EBITDA (Core)	**450**	**340**	**367**	**396**
Growth, %	(10.0)	(24.5)	8.1	7.9
Margin, %	15.3	11.0	11.2	11.4
Depreciation	(61)	(74)	(77)	(81)
EBIT	**389**	**266**	**290**	**316**
Growth, %	(12.4)	(31.6)	9.1	8.9
Margin, %	13.2	8.6	8.8	9.1
Other Income	68	70	73	76
Non-recurring Items	-	-	-	-
Pre-tax profit	**451**	**330**	**357**	**385**
Tax provided	(118)	(86)	(93)	(101)
Net Profit	**333**	**244**	**263**	**284**
Growth, %	(11.1)	(26.8)	8.0	7.8

Source: Company, Axis Securities Research

Balance Sheet

(Rs Cr)

Y/E March	FY26	FY27E	FY28E	FY29E
Cash & bank	310	470	641	827
Debtors	257	269	286	303
Inventory	344	362	383	406
Loans & advances	5	5	5	5
Other current assets	71	71	71	71
Total current assets	1,493	1,683	1,892	2,119
Investments	-	-	-	-
Gross fixed assets	1,150	1,200	1,250	1,300
Less: Depreciation	(646)	(720)	(797)	(878)
Add: Capital WIP	10	10	10	10
Net fixed assets	514	490	462	432
Non-current assets	237	237	237	237
Total assets	**2,252**	**2,418**	**2,600**	**2,796**
Current liabilities	556	572	592	613
Provisions	73	73	73	73
Total current liabilities	630	646	666	687
Non-current liabilities	34	34	34	34
Total liabilities	664	680	700	721
Paid-up capital	37	37	37	37
Reserves & surplus	1,552	1,702	1,864	2,038
Shareholders' equity	1,589	1,739	1,900	2,075
Total equity & liabilities	**2,252**	**2,418**	**2,600**	**2,796**

Source: Company, Axis Securities Research

Cash Flow

(Rs Cr)

Y/E March	FY26	FY27E	FY28E	FY29E
Pre-tax profit	451	330	357	385
Depreciation	61	74	77	81
Chg in working capital	14	(14)	(18)	(19)
Total tax paid	(94)	(86)	(93)	(101)
Cash flow from operating activities	**433**	**304**	**323**	**346**
Capital expenditure	589	(50)	(50)	(50)
Chg in marketable securities	(50)	-	-	-
Cash flow from investing activities	**539**	**(50)**	**(50)**	**(50)**
Free cash flow	972	254	273	296
Equity raised/(repaid)	-	-	-	-
Dividend (incl. tax)	(129)	(94)	(102)	(110)
Cash flow from financing activities	**(139)**	**(94)**	**(102)**	**(110)**
Net chg in cash	833	160	171	186
Opening cash balance	142	310	470	641
Closing cash balance	310	470	641	827

Source: Company, Axis Securities Research

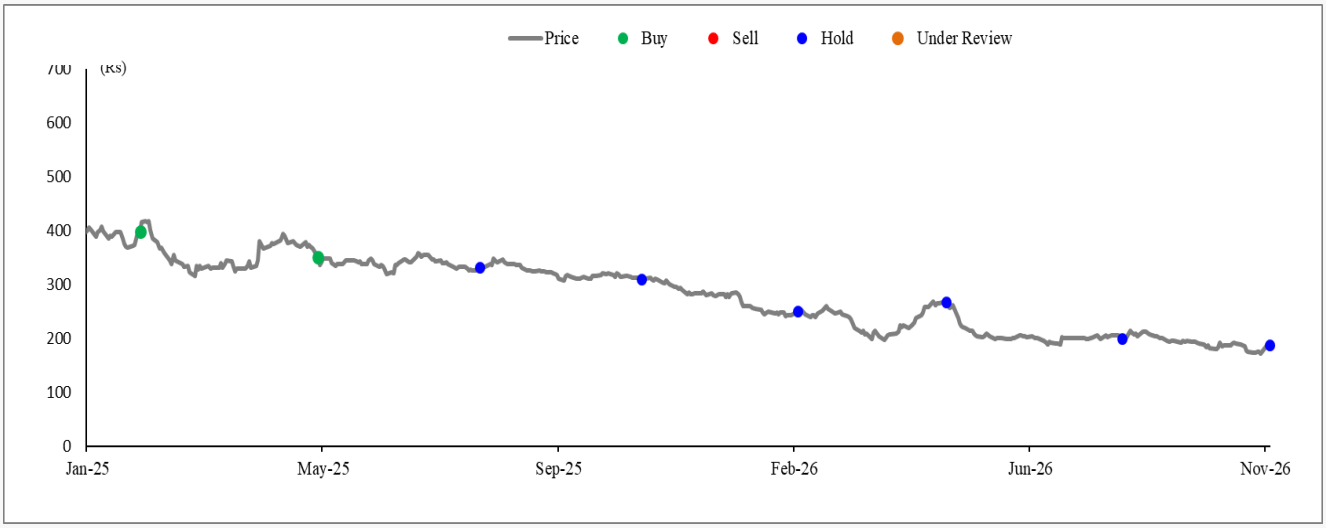
Ratio Analysis

(%)

Y/E March	FY26	FY27E	FY28E	FY29E
Per Share data				
EPS (INR)	9.0	6.6	7.2	7.7
Growth, %	(11.1)	(26.8)	8.0	7.8
Book NAV/share (INR)	43.1	47.2	51.6	56.3
FDEPS (INR)	9.0	6.6	7.2	7.7
CEPS (INR)	10.7	8.6	9.3	9.9
CFPS (INR)	14.5	6.3	6.8	7.3
DPS (INR)	3.5	2.6	2.8	3.0
Return ratios				
Return on assets (%)	13.7	10.7	10.7	10.8
Return on equity (%)	21.0	14.0	13.9	13.7
Return on capital employed (%)	17.4	14.1	14.0	13.9
Turnover ratios				
Asset turnover (x)	2.7	4.7	5.1	5.5
Sales/Total assets (x)	1.2	1.3	1.3	1.3
Sales/Net FA (x)	3.5	6.2	6.9	7.8
Working capital/Sales (x)	0.0	0.0	0.0	0.0
Receivable days	31.8	31.8	31.8	31.8
Inventory days	42.7	42.7	42.7	42.7
Payable days	46.3	44.1	44.2	44.3
Working capital days	14.9	15.9	17.0	18.0
Liquidity ratios				
Current ratio (x)	2.7	2.9	3.2	3.5
Quick ratio (x)	2.1	2.3	2.5	2.8
Valuation				
PER (x)	20.8	28.4	26.3	24.4
PEG (x) YoY growth	(1.9)	(1.1)	3.3	3.1
Price/Book (x)	4.4	4.0	3.7	3.3
EV/Net sales (x)	2.1	1.9	1.8	1.6
EV/EBITDA (x)	13.7	17.7	15.9	14.3
EV/EBIT (x)	15.9	22.6	20.2	17.9

Source: Company, Axis Securities Research

Jyothy Labs Price Chart and Recommendation History



Date	Reco	TP	Research
01-Feb-25	BUY	450	Result Update
13-May-25	BUY	400	Result Update
13-Aug-25	HOLD	355	Result Update
13-Nov-25	HOLD	320	Result Update
10-Feb-26	HOLD	270	Result Update
05-May-26	HOLD	280	Result Update
13-Aug-26	HOLD	205	Result Update
05-Nov-26	HOLD	200	Result Update

Source: Axis Securities

Disclaimer

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.

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.- INP000000654 | Investment Advisor Reg No. INA000000615 | SEBI-Research Analyst Reg. No. INH000000297 | IRDA Corporate Agent (Composite) Reg. No. CA0073| PFRDA – POP Reg. No. POP387122023 | Mutual Fund Distributor ARN- 64610.

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

Registered Office Address – Axis Securities Ltd., Unit 002(A), Amiti Building, Piramal Corporate Park, Kamani Junction, LBS Marg, Kurla (West), Mumbai – 400070.

Administrative office address: Axis Securities Limited, Aurum Q Parć, 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.

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 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 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

UTTAM KUMAR SRIMAL
Digitally signed by UTTAM KUMAR SRIMAL
Date: 2026.11.05 08:59:40 +05'30'

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

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 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.