

Asset Quality Outlook Unencouraging, HOLD Stays!
Est. Vs. Actual for Q2FY25: NII – **INLINE**; PPOP – **BEAT**; PAT – **MISS**
Changes in Estimates post Q2FY25
FY25E/26E/FY27E (in %): NII: -4.6/-8.1/-10.2; PPOP: -9.4/-15.4/-18.2; PAT: -53.9/-15.3/-15.4

Recommendation Rationale

- **MFI pain far from over; Recovery likely by Q1FY26:** EQSFB's SMA flow and fresh stress accretion in the MFI portfolio continue to remain elevated. However, the management has indicated that the X-bucket Collection efficiency in Oct'24 has stabilised and expects similar trends to continue over the next 2 quarters. However, the slippages and asset quality (AQ) stress in the MFI portfolio will continue to remain elevated in H2FY25, thereby keeping MFI credit costs elevated. The management has attributed a part of the AQ stress to the increasing indiscipline in the centre meeting post-COVID. However, we believe it could also be owing to EQSFB's dominant presence in Tamil Nadu (57% MFI book mix) where the customer over-leveraging has been significantly higher at an industry level. Currently, ~14.5% of EQSFB's MFI customer base has exposure to >4 lenders and ~8-9% has an indebtedness of >Rs 2 Lc. Adopting a cautious approach, the bank has curtailed disbursements in the segment, with ~87% of Oct'24 disbursements made to existing customers.
- **Elevated credit costs to dent earnings:** In H1FY25, the MFI portfolio credit costs skyrocketed to ~10.2%, while that of the non-MFI portfolio were contained at ~1.04%. The MFI credit costs included a one-time provision of Rs 146 Cr (Rs 100 Cr as provision buffer, Rs 46 Cr towards strengthening of IRAC norms). The management remains confident of strong resolutions in the non-MFI portfolios (~85-90% of the SMA pool), thereby limiting slippages from these portfolios. However, in the MFI SMA pool, the resolutions are likely to range between 40-50%, thereby resulting in higher slippages. While the bank has refrained from guiding for credit costs in H2FY25, we believe credit costs will continue to remain elevated in H2FY25, before gradually normalising from FY26E assuming the MFI stress subsides.
- **Pruning growth in high-risk segments:** Amidst stress in the MFI portfolio, the bank has been cautious in pursuing growth and will continue to see a gradual decline in the portfolio mix to single digits over the medium term. The new products (Credit Card and Personal Loans) roll-out is on track and will likely go live by the end of FY25E. The bank will look to cap the share of unsecured segments to 20% on a steady-state basis.

Sector Outlook: Positive

Company Outlook: The stress in the MFI portfolio will keep credit costs elevated, thereby sharply decelerating earnings in FY25. With investments towards tech, teams, and new products, the Opex ratios will continue to remain elevated over the next 2-3 years. We believe the shift in the portfolio mix towards lower-yielding secured products and elevated Opex ratios will be limiting factors for a RoA delivery of ~2%. We expect EQSFB to deliver RoA/RoE of 1.4-1.5%/12-14% over FY26-27E.

Current Valuation: 1.2x Sep'26E ABV Earlier Valuation: 1.4x FY26E ABV

Current TP: Rs 75/share Earlier TP: Rs 87/share

Recommendation: We maintain our **HOLD** recommendation on the stock.

Financial Performance:

- **Operational Performance:** Disbursements de-grew by 2% YoY but improved by ~20% QoQ, owing to improved non-MFI disbursements. MFI disbursements de-grew by 33/8% YoY/QoQ, while non-MFI disbursements grew by 10/30% YoY/QoQ. Advances growth slowed down to 15/3% YoY/QoQ, with growth steered by SBL (+27/7% YoY/QoQ) and Vehicle Finance (+14/5% YoY/QoQ). MFI portfolio de-grew by 4/6% YoY/QoQ. Deposits growth was strong at 29/6% YoY/QoQ, primarily led by growth in TDs (+35/7% YoY/QoQ). CASA deposits grew by ~18/4% YoY/QoQ and CASA ratio stood at 30.6% vs 33.6/31.2% YoY/QoQ. C-D Ratio improved to 90.4% vs 101.3/92.9% YoY/QoQ
- **Financial Performance:** NII grew by 8/2% YoY/QoQ owing to modest credit growth momentum and a 20bps QoQ NIM contraction. NIMs stood at 7.97% vs 8.17% QoQ. Non-interest grew by 5% YoY and was flat QoQ. NIMs contracted by 28bps QoQ. Opex growth was controlled at 12/3% YoY/QoQ. The C-I Ratio was steady at 66.4% v.s 66.3% QoQ. PPOP grew by 6/3% YoY/QoQ. Elevated credit costs continued to hurt earnings. The bank made a provision of Rs 146 Cr towards the MFI portfolio. PAT de-grew sharply by 93/50% YoY/QoQ.
- **Asset Quality** deteriorated marginally (on expected lines) owing to higher slippages. GNPA/NNPA stood at 3.0/1.0% vs. 2.7/0.8% QoQ.

Key Financials (Standalone)

(Rs Cr)	Q2FY25	QoQ (%)	YoY (%)	Axis Est.	Variance
Net Interest Income	802	+0.1	+4.8	814	-1.4
PPOP	350	+2.7	+5.9	338	+3.6
Net Profit	13	-50.0	-93.5	154	-91.6
NNPA (%)	1.0	+14 bps	-	0.9	+10 bps
RoA (%)	0.1	-12 bps	-192 bps	1.3	-118 bps

Source: Company, Axis Securities Research

 (CMP as of 08th November, 2024)

CMP (Rs)	87
Upside /Downside (%)	9%
High/Low (Rs)	117/66
Market cap (Cr)	7,823
Avg. daily vol. (6m) Shrs.	47,12,986
No. of shares (Cr)	113.9

Shareholding (%)

	Mar-24	Jun-24	Sep-24
Promoter	0.0	0.0	0.0
FII's	19.5	19.7	16.9
MFs / UTI	38.2	38.4	38.2
Others	42.3	41.9	44.9

Financial & Valuations

Y/E Mar (Rs Cr)	FY25E	FY26E	FY27E
NII	3,266	3,820	4,572
PPOP	1,385	1,666	2,098
Net Profit	291	783	1,049
EPS (Rs)	2.6	6.9	9.2
ABV (Rs)	52.3	58.5	66.6
P/ABV (x)	1.3	1.2	1.0
RoA (%)	0.6	1.4	1.5
NNPA (%)	0.9	0.8	0.7

Change in Estimates (%)

Y/E Mar	FY25E	FY26E	FY27E
NII	-4.6	-8.1	-10.2
PPOP	-9.4	-15.4	-18.2
PAT	-53.9	-15.3	-15.4

Relative performance


Source: Ace Equity, Axis Securities Research

Dnyanada Vaidya

Research Analyst

Email: dnyanada.vaidya@axissecurities.in

Pranav Nawale

Research Associate

Email: pranav.nawale@axissecurities.in

Key Highlights

Credit growth to be driven by non-MFI segments: With the bank de-focusing on the MFI segment, growth hereon will be largely led by the non-MFI segment. The management expects the growth in the Vehicle finance segment to pick up in H2FY25, with growth primarily driven by Used CV and Cars. Similarly, growth in the affordable housing and SBL segment is expected to remain buoyant. Similarly, in the credit card segment, the bank will leverage the product to mobilise deposits and as a cross-sell for affordable housing and SBL customers. While we expect growth in FY25 will be impacted due to a sharp run-down in the MFI portfolio, we expect growth momentum to pick up from FY26E onwards. We pen down a credit growth of 18% CAGR over FY24-27E.

Outlook

We believe growth would be an outcome of asset quality trends in H2FY25 and thus we further trim our credit growth estimates by ~3% in FY25 and expect recovery FY26E onwards. With credit costs having weighed heavily on earnings in H1FY25 and asset quality stress, especially in the MFI portfolio persisting going into H2FY25, we lower our earnings estimates sharply by 54% for FY25. Additionally, continued investments in the tech, platform and team are keeping Opex ratios inflated. Hence we hack our earnings estimates by ~15% over FY26-27E. Opex ratio improvement remains a key RoA improvement lever, as credit costs are likely to normalise from FY26E onwards.

Valuation & Recommendation

The stock has already corrected sharply by ~26% over the past 6 months, anticipating asset quality concerns in the MFI growth and its impact on growth. However, owing to limited clarity on recovery alongside a delay in RoA inching back to the aspirational 2%, **we maintain our HOLD rating on the stock.** We value EQSFB at 1.2x Sep'26E ABV (vs. current valuations of 1.1x Sep'26E) to arrive at a target price of Rs 75/share, implying a 9% upside from the CMP.

Key Risks to Our Estimates and TP

- The key risk to our estimates remains a slowdown in overall credit growth which could potentially derail our earnings estimates.
- Continued stress in the microfinance segment would keep credit costs elevated denting our earnings estimates.

Change in Estimates

	Revised			Old			% Change		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
NII	3,266	3,820	4,572	3,422	4,158	5,092	-4.6	-8.1	-10.2
PBP	1,385	1,666	2,098	1,528	1,970	2,563	-9.4	-15.4	-18.2
PAT	291	783	1,049	631	925	1,240	-53.9	-15.3	-15.4

Source: Company, Axis Securities Research

Results Review (Standalone)

Rs Cr	Q2FY25	Q2FY24	% YoY	Q1FY25	% QoQ	H1FY25	H1FY24	% YoY
Net Interest Income	802	766	4.8	801	0.1	1,604	1,509	6.3
Non-Interest Income	239	181	31.7	209	14.5	448	353	26.9
Operating expenses	692	617	12.1	670	3.2	1,361	1,219	11.7
Staff Cost	402	332	21.4	375	7.4	777	659	17.8
Pre provision profits	350	330	5.9	340	2.7	690	642	7.4
Provisions and contingencies	330	63	421.6	305	8.2	634	123	414.6
PBT	20	267	-92.5	36	-43.9	56	519	-89.2
Provision for Tax	7	69	-89.6	10	-28.3	17	130	-86.8
PAT	13	198	-93.5	26	-50.0	39	389	-90.1
Business Update								
Disbursements	4,850	4,961	-2.2	4,029	20.4	8,879	9,718	-8.6
AUM	36,050	31,229	15.4	34,871	3.4	36,050	31,229	15.4
MFI	5,636	5,878	-4.1	5,973	-5.6	5,636	5,878	-4.1
Vehicle Finance	8,877	7,777	14.1	8,472	4.8	8,877	7,777	14.1
SBL	14,678	11,550	27.1	13,747	6.8	14,678	11,550	27.1
MSE	1,366	1,038	31.6	1,235	10.6	1,366	1,038	31.6
NBFC	604	1,042	-42.0	643	-6.1	604	1,042	-42.0
Affordable Housing	4,389	3,582	22.5	4,342	1.1	4,389	3,582	22.5
Others	503	362	39.0	459	9.6	503	362	39.0
Operational Metrics								
Cost-Income ratio (%)	66.4	65.1	128bps	66.3	11bps	66.4	65.5	86bps
Yields on Advances (%)	16.5	16.5	-1bps	16.5	4bps	16.5	16.4	6bps
Cost of Deposits (%)	7.5	7.2	29bps	7.5	4bps	7.5	7.1	40bps
Cost of Funds (%)	7.5	7.2	29bps	7.5	4bps	7.5	7.1	40bps
NIMs (%)	7.7	8.4	-74bps	8.0	-28bps	7.8	8.6	-77bps
Asset Quality								
Gross NPA (%)	3.0	2.3	68bps	2.7	22bps	3.0	2.3	68bps
Net NPA (%)	1.0	1.0	0bps	0.8	14bps	1.0	1.0	0bps
PCR (%)	67.7	57.7	999bps	70.3	-258bps	67.7	57.7	999bps
Slippages (Rs. Cr.)	505.8	256.8	97.0	385.4	31.2	891.2	470.8	89.3
Slippage Ratio (%)	5.7	3.4	233bps	4.5	125bps	5.1	3.2	190bps
Capital Adequacy								
CRAR	19.4	21.3	-197bps	20.6	-119bps	19.4	21.3	-197bps
Tier I	18.1	20.7	-254bps	19.6	-148bps	18.1	20.7	-254bps
Tier II	1.3	0.7	57bps	1.0	29bps	1.3	0.7	57bps

Source: Company, Axis Securities Research

Financials (Standalone)

Profit & Loss					(Rs Cr)
Y/E March	FY24	FY25E	FY26E	FY27E	
Net Interest Income	3,080	3,266	3,820	4,572	
Non-Interest Income	799	910	1,045	1,198	
Total Income	3,878	4,176	4,865	5,770	
Operating Expenses	2,503	2,791	3,199	3,672	
Pre-Provision Profits	1,375	1,385	1,666	2,098	
Provisions	314	997	623	701	
PBT	1,061	387	1,042	1,397	
Tax	264	96	260	348	
Profit After Tax	797	291	783	1,049	

Source: Company, Axis Securities Research

Balance Sheet					(Rs Cr)
Y/E March	FY24	FY25E	FY26E	FY27E	
Equity Share Capital	1,135	1,135	1,135	1,135	
Reserves & Surplus	4,834	5,125	5,829	6,773	
Net Worth	5,969	6,259	6,964	7,908	
Deposits	36,129	43,918	53,405	64,966	
Borrowings	1,788	1,200	477	612	
Other Liabilities	1,418	1,661	1,967	2,375	
Total Liabilities	45,304	53,038	62,813	75,861	
Cash & Bank balances	3,579	3,516	4,009	4,876	
Investments	9,065	11,854	13,881	16,885	
Loans	30,964	35,365	42,197	50,806	
Fixed Assets & Others	1,695	2,303	2,727	3,294	
Total Assets	45,304	53,038	62,813	75,861	

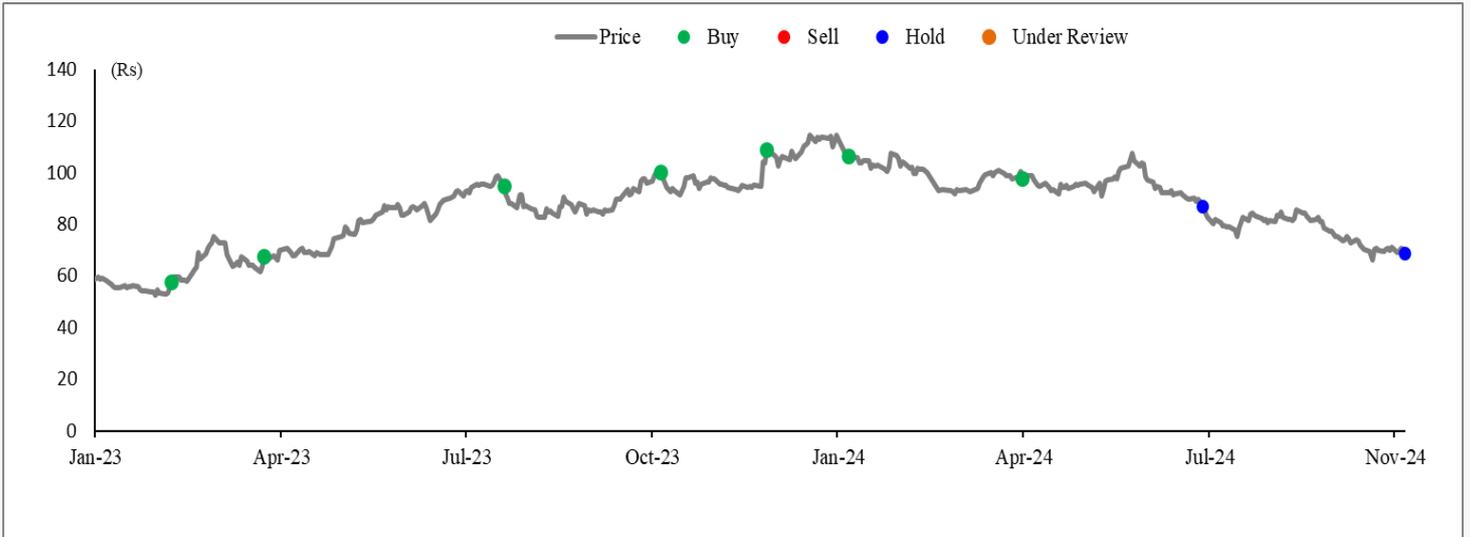
Source: Company, Axis Securities Research

Ratio Analysis
(%)

Y/E March	FY24	FY25E	FY26E	FY27E
VALUATION RATIOS				
EPS	7.0	2.6	6.9	9.2
Earnings Growth (%)	16%	-64%	169%	34%
BVPS	52.6	55.2	61.4	69.7
Adj. BVPS	49.4	52.3	58.5	66.6
RoA (%)	2.0	0.6	1.4	1.5
ROAE (%)	14.3	4.8	11.8	14.1
P/E (x)	9.8	26.8	10.0	7.4
P/ABV (x)	1.4	1.3	1.2	1.0
OPERATING EFFICIENCY				
NIM (%)	8.4	7.3	7.2	7.2
Cost/Avg. Asset Ratio (%)	6.2	5.7	5.5	5.3
Cost-Income Ratio (%)	64.5	66.8	65.8	63.6
BALANCE SHEET STRUCTURE RATIOS				
Loan Growth (%)	23.2	14.2	19.3	20.4
Deposits Growth (%)	42.3	21.6	21.6	21.6
Equity/Assets (%)	13.2	11.8	11.1	10.4
Equity/Loans (%)	19.3	17.7	16.5	15.6
Total Capital Adequacy Ratio (CAR)	21.7	19.4	18.2	17.0
ASSET QUALITY				
Gross NPLs (%)	2.5	2.9	2.4	2.2
Net NPLs (%)	1.2	0.9	0.8	0.7
Coverage Ratio (%)	56.1	70.0	70.0	70.0
Provision/Avg. AUM (%)	1.1	3.0	1.6	1.5
ROAA TREE (on Total Assets)				
Net Interest Income	7.7	6.6	6.6	6.6
Non-Interest Income	2.0	1.9	1.8	1.7
Operating Cost	6.2	5.7	5.5	5.3
Provisions	0.8	2.0	1.1	1.0
Tax	0.7	0.2	0.4	0.5
ROAA	2.0	0.6	1.4	1.5
Leverage (x)	7.2	8.0	8.8	9.3
ROAE	14.3	4.8	11.8	14.1

Source: Company, Axis Securities Research

Equitas Small Finance Bank Price Chart and Recommendation History



Date	Reco	TP	Research
10-Feb-23	BUY	70	Result Update
31-Mar-23	BUY	78	Company Update
08-May-23	BUY	83	Result Update
01-Aug-23	BUY	109	Result Update
23-Oct-23	BUY	113	Result Update
15-Dec-23	BUY	125	Company Update
29-Jan-24	BUY	122	Result Update
25-Apr-24	BUY	111	Result Update
29-Jul-24	HOLD	87	Result Update
11-Nov-24	HOLD	75	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, Aarun 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.