

Strong Quarter; Flawless Execution to Drive Re-Rating!
Est. Vs. Actual for Q3FY26: NII – BEAT; PPOP – INLINE; PAT – INLINE
Changes in Estimates post Q3FY26
FY26E/FY27E/FY28E (in %): NII: -1.5/-1.4/-1.2; PPOP: -4.0/-0.7/+0.4; PAT: -6.3/-1.2/+0.9
Recommendation Rationale

- NIMs Surprise; Upward Trajectory to Continue:** FB's NIMs surprised, expanding by 12bps, led by balance sheet optimization, benefit accruing from CRR cut, and continued repricing of deposits collectively offsetting the impact of yield compression (partial pass-on of 25bps rate cut taken in Dec'25). **The management continues to prioritize NIM improvement through re-balancing the asset mix, with pursuing growth in chosen mid-yielding segments, which calibrates growth in the higher yielding segment without compromising on asset quality and realigning the liability mix with focus on CASA deposits, primarily CA deposits.** The bank's focus on the medium-yielding segments is doing the bulk of the heavy lifting on NIM improvement, amidst its cautious approach in growing the unsecured segments, particularly MFI and PL. Alongside the asset mix re-balancing, the continued deposit repricing expected over the next 4-5 months and gradually improving CASA mix should aid CoF. Despite the recent rate cut in Dec'25, SA rates have remained unchanged, while there has been a slight reduction in TD rates, given the need to accrete deposit limits for further rate cuts. Some near-term impact on NIMs is expected as the balance (2/3rd of the Dec'25 rate cut) is yet to reflect in lending yields, and the management will look to maintain margins at current levels. **With these levers at play, we expect NIMs to improve to 3.3-3.4% over FY27-28 from ~3.1% in FY26E and remain a key RoA improvement driver.**

- MFI Stress Peaks Out, Overall Asset Quality Not Worrisome:** With the bank consciously growing the mid-yielding portfolio, credit costs tend to be slightly higher than the lower-yielding segments, while adequately compensating with better yields. The management continues to remain watchful of asset quality trends in the unsecured MFI and PL portfolios. Slippages and credit costs in the MFI portfolio are on a downward trajectory, and the trend is expected to remain intact going into Q4. FB's asset quality trends in the MSME in both the BuB (lower ATS) and Commercial Banking (higher ATS) segments continue to remain under control. **Thus, FB has guided for credit costs to be contained between 55-60bps in FY26. The management stated that the impact of ECL norms implementation would be manageable and does not expect any significant bump-up in credit costs due to ECL implementation.**

Sector Outlook: Positive

Company Outlook: The bank has seen a growth pick-up in Q3 following a muted performance over H1, and the outlook around growth continues to remain encouraging. The bank appears to be progressing well across most of its key focus areas and is making considerable progress, with NIMs seeing a healthy uptick, a gradual build-up of the fee income, and strong CASA Ratio expansion. Asset quality challenges appear to be fading and should thereby keep credit costs under control. We expect FB's RoA improvement to 1.3-1.4% over FY27-28E vs. a rather lacklustre 1.1% in FY26E, supported by (1) healthy risk-adjusted credit growth, (2) margin improvement levers playing out with portfolio mix shift towards better-yielding segments and lower CoF, (3) strong deposit franchise with improving CASA mix, (4) strengthened fee income profile, and (5) stable asset quality metrics keeping credit costs under control. **We prefer FB among the mid-sized banks, given clear visibility around RoA improvement.**

Current Valuation: 1.7x Sep'27E ABV Earlier Valuation: 1.5x FY27E ABV
Current TP: Rs 320/share. Earlier TP: Rs 265/share
Recommendation: We maintain our **BUY** recommendation on the stock.

Financial Performance:

- Operating Performance:** Federal Bank's (FB) credit growth improved and grew by 10/4% YoY/QoQ, with retail advances growing at 6/3% YoY/QoQ. The very high (MFI) and high-yielding segments (CC+PL) stood at 4.7%, flat QoQ. Deposit growth improved to 12/3% YoY/QoQ. This growth was driven by CASA deposits, which grew by 19/7% YoY/QoQ (another focus area for the bank, especially CA deposits +31/11% YoY/QoQ). Thus, the CASA ratio improved to 32.1% vs 31% QoQ. TDs grew by 9/1% YoY/QoQ.
- Financial Performance:** NII grew by 9/6% YoY/QoQ, with NIMs improving sharply by 12bps QoQ despite yield compression of 12 bps, which was offset by lower CoF (down 11bps QoQ). Reported NIMs stood at 3.18% vs 3.06%. Non-interest grew by 20/2% YoY/QoQ, led by strong fee income (+19/1% YoY/QoQ). Opex growth was slightly higher at 14/5% YoY/QoQ, led by higher employee expenses (+8/6% YoY/QoQ). C-I Ratio stood at 53.9% vs 54.0% QoQ, largely led by strong top-line growth. PPOP grew by 10/5% YoY/QoQ. Provisions tapered QoQ with credit costs at 53bps vs 51/60bps YoY/QoQ. Earnings growth was strong at 9% YoY/QoQ each.
- Asset quality** improved marginally with GNPA/NNPA at 1.72/0.42% vs 1.83/0.48% QoQ. Slippages during the quarter tapered to Rs 435 Cr vs Rs 579 Cr QoQ (agri slippages were also lower YoY/QoQ). Slippage ratio for the quarter stood at 0.7% vs 0.9% QoQ.

Key Financials (Standalone)

(Rs Cr)	Q3FY26	QoQ (%)	YoY (%)	Axis Est.	Variance
Net Interest Income (NII)	2,653	+6.3	+9.1	2,573	+3.1
PPOP	1,729	+5.2	+10.2	1,706	+1.4
Net Profit	1,041	+9.0	+9.0	1,029	+1.2
NNPA (%)	0.4	-6 bps	-7 bps	0.4	-2 bps
RoA (%)	1.2	+8 bps	+2 bps	1.1	+3 bps

Source: Company, Axis Securities Research

(CMP as of 16th January, 2026)

CMP (Rs)	270
Upside /Downside (%)	18%
High/Low (Rs)	271/173
Market cap (Cr)	66,542
Avg. daily vol. (6m) Shrs.	86,24,352
No. of shares (Cr)	246.2

Shareholding (%)

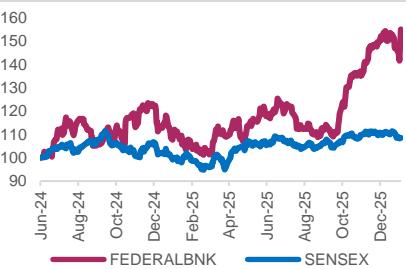
	Jun-25	Sep-25	Dec-25
Promoter	0.0	0.0	0.0
FII	26.9	25.5	24.9
MFs / FIs	35.4	37.5	38.2
Others	37.7	37.0	36.9

Financial & Valuations

Y/E Mar (Rs Cr)	FY26E	FY27E	FY28E
NII	10,229	12,502	15,111
PPOP	6,677	8,599	10,764
Net Profit	3,920	5,251	6,725
EPS (Rs)	15.5	20.8	24.6
ABV (Rs)	147.7	166.0	191.8
P/ABV (x)	1.8	1.6	1.4
RoA (%)	1.1	1.3	1.4
NNPA (%)	0.4	0.4	0.4

Change in Estimates (%)

Y/E Mar	FY26E	FY27E	FY28E
NII	-1.5	-1.4	-1.2
PPOP	-4.0	-0.7	+0.4
PAT	-6.3	-1.2	+0.9

Relative Performance


Source: Ace Equity, Axis Securities Research

Results Gallery
[Q2FY26](#)
[Q1FY26](#)
[Q4FY25](#)
[Q3FY25](#)
Dnyanada Vaidya
Research Analyst

Email: dnyanada.vaidya@axissecurities.in

Abhishek Pandya
Research Associate

Email: abhishek.pandya@axissecurities.in

Key Takeaways

- **Growth Momentum Showing Signs of Revival:** With strategic measures underway, the bank has seen a decisive shift in the mix of mid-yielding segments from 43% in Q3FY25 to 44.4% in Q3FY26, at the cost of lower yielding segment (mix down to 51% currently vs 52.2% in Q3FY25) and maintaining the share of high/very-high yielding segments stable at 4.7%, flat YoY. **FB continues to witness strong traction in the focus segments and will continue to drive growth momentum as it exits FY26E.** While corporate growth was robust in Q3 (+8% QoQ), the pace is not sustainable. **The bank has foregone opportunities in the larger, better-rated corporate where the risk-reward was unfavourable and shifted focus towards mid-corporate (better yielding), without compromising on the asset quality.** In Q3, the bank pursued some opportunistic lending in the corporate portfolio, where yields were healthy, driving strong growth in the segment.

Within the mortgage book, the bank will look to accelerate growth in the LAP portfolio rather than the Home Loans book, where the risk-reward is not favourable. In the Auto portfolio, the bank has made structural changes and expects to resume its growth momentum gradually. Within the unsecured segment, **the organic credit card portfolio continues to grow at a robust pace, while the bank remains cautious on the fintech sourcing.** Similarly, the bank is watchful of pursuing growth in the MFI portfolio with headwinds yet to fully settle. The PL book is showing signs of growth revival, and FB will gradually push the growth pedal. **With growth capital infusion by Blackstone, FB intends to deliver a steady state growth of 1.2-1.5x Nominal GDP growth and aims to grow at ~16% in FY27E.**

- **Fee Income Profile Strengthening:** FB's fee-to-assets stands at >1%, reflecting steady scaling of the bank's fee income franchise and improved competitiveness. In Q3, core fee income was impacted by seasonality in insurance commission, despite volumes remaining strong. **The bank has launched its wealth management business, which is expected to contribute significantly to the fee income. Hereon, the bank intends to strengthen the trade, forex, and cards segments to drive healthy and sustainable fee income growth.** These segments are gradually gaining momentum and should ensure sustainably strong core fee income growth in the coming quarters. **The bank sees upside potential for fee income to settle much higher than current levels.**
- **Strong Deposit Franchise:** The re-orientation of branch strategy towards CASA Deposits and particularly CA deposits remains a key focus area for the bank. For the last couple of quarters, FB has been witnessing strong growth in CA (+flat/11% QoQ in Q2/Q3) and SA (+4/6% QoQ in Q2/Q3) deposits. The CASA accretion has been granular, with any quarter-end bump-up being BAU transactions. The bank has been seeing consistently healthy growth in average CASA balances. This growth is an outcome of improved branch productivity and the introduction of new products, amongst other initiatives.
- **C-I Ratio to remain Range-bound:** FB opened 6 branches in Q3 while adopting a calibrated approach in network expansion. The bank is carefully evaluating the efficiency, need to relocate branches, and reviewing the size of its branches, and hence prioritized these initiatives over aggressive branch expansion. The management has guided for a better branch opening run-rate in Q4. In Q3, the bank reported slightly elevated employee expenses owing to the impact of the revision in the labour laws. **FB continues to guide for a C-I Ratio ranging between 53-55% over the next couple of years, with the bank reinvesting in distribution, technology, and growth.**

Outlook

We are seeing renewed strategy yield results with deposit franchise strengthening and credit growth momentum in select segments, building up. The strategic and conscious shift towards mid-yielding segments and the ability to gradually scale up the higher-yielding segments, though in a cautious manner, should be margin accretive over the medium term. We expect strong NII and Fee income growth to offset the impact of investments towards franchise, tech, and products, weighing on Opex ratios, and a manageable impact of ECL provisioning. Thus, we broadly maintain our FY27/28E estimates with minor tweaks. **We expect FB to deliver a strong 16/22/31% CAGR Advances/NII/Earnings growth over FY26-28E, while registering RoA/RoE of 1.3-1.4%/13-14% over FY27-28E vs 1.1/11.1% in FY26E.**

Valuation & Recommendation

We value the stock at 1.7x Sep'27E ABV vs. current valuations of 1.5x Sep'27E ABV and value the subsidiary at Rs 16/share to arrive at a target price of Rs 320/share, implying an upside of 18% from CMP. **We recommend a BUY on the stock.**

Key Risks to Our Estimates and TP

- The key risk to our estimates remains a slowdown in overall credit momentum, which could potentially derail earnings momentum for the bank.

Change in Estimates

(Rs Cr)	Revised			Old			% Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
NII	10,229	12,504	15,111	10,389	12,679	15,297	-1.5	-1.4	-1.2
PBP	6,677	8,599	10,764	6,953	8,663	10,719	-4.0	-0.7	0.4
Provisions	1,415	1,550	1,738	1,377	1,578	1,836	2.7	-1.8	-5.3
PAT	3,920	5,251	6,725	4,182	5,314	6,663	-6.3	-1.2	0.9

Source: Company, Axis Securities Research

Results Review (Standalone)

Rs Cr	Q3FY26	Q3FY25	% YoY	Q2FY26	% QoQ	9MFY26	9MFY25	YoY %
Net Interest Income	2,653	2,431	9.1	2,495	6.3	7,485	7,091	5.6
Non-Interest Income	1,100	916	20.1	1,082	1.7	3,295	2,795	17.9
Operating expenses	2,024	1,778	13.8	1,933	4.7	5,850	5,250	11.4
Staff Cost	849	785	8.1	803	5.6	2,450	2,301	6.5
Pre-provision profits	1,729	1,569	10.2	1,644	5.2	4,930	4,636	6.3
Provisions and contingencies	332	292	13.7	363	-8.5	1,096	595	84.2
PBT	1,397	1,277	9.4	1,281	9.0	3,834	4,041	-5.1
Provision for Tax	356	322	10.6	326	9.2	976	1,019	-4.2
PAT	1,041	955	9.0	955	9.0	2,858	3,022	-5.4
Deposits	2,97,796	2,66,375	11.8	2,88,920	3.1	2,97,796	2,66,375	11.8
Advances	2,55,569	2,30,370	10.9	2,44,657	4.5	2,55,569	2,30,370	10.9
C/D Ratio	85.8	86.5	-66bps	84.7	114bps	85.8	86.5	-66bps
Yield on Advances (%)	8.74	9.39	-65bps	8.86	-12bps	8.88	9.39	-53bps
Cost of Deposits (%)	5.48	5.92	-44bps	5.57	-9bps	5.61	5.87	-26bps
Spreads (%)	3.26	3.47	-21bps	3.29	-3bps	3.27	3.52	-25bps
NIM (%)	3.18	3.11	7bps	3.06	12bps	3.06	3.13	-7bps
Cost-Income ratio (%)	53.9	53.1	81bps	54.0	-12bps	54.3	53.1	117bps
Asset Quality								
Gross NPA (%)	1.7	2.0	-23bps	1.8	-11bps	1.7	2.0	-23bps
Net NPA (%)	0.4	0.5	-7bps	0.5	-6bps	0.4	0.5	-7bps
PCR (%)	76.0	75.2	82bps	74.3	169bps	76.0	75.2	82bps

Source: Company, Axis Securities Research

Financials (Standalone)

Profit & Loss

(Rs Cr)

Y/E March	FY25	FY26E	FY27E	FY28E
Net Interest Income	9,468	10,229	12,504	15,111
Other Income	3,801	4,514	5,317	6,310
Total Income	13,269	14,743	17,821	21,421
Total Operating Expense	7,168	8,067	9,223	10,657
PPOP	6,101	6,677	8,599	10,764
Provisions & Contingencies	733	1,415	1,550	1,738
PBT	5,368	5,262	7,048	9,026
Provision for Tax	1,316	1,342	1,797	2,302
PAT	4,052	3,920	5,251	6,725

Source: Company, Axis Securities Research

Balance Sheet

(Rs Cr)

Y/E March	FY25	FY26E	FY27E	FY28E
SOURCES OF FUNDS				
Share Capital	491	506	506	547
Reserves	32,929	37,994	42,720	53,377
Shareholder's Funds				
Total Deposits	33,421	38,500	43,226	53,924
Borrowings	2,83,647	3,17,691	3,67,166	4,27,392
Other Liabilities & Provisions	23,726	17,480	24,409	25,922
Total Liabilities	8,210	12,164	14,153	16,511
Total Liabilities	3,49,005	3,85,835	4,48,954	5,23,750
APPLICATION OF FUNDS				
Cash & Bank Balance	30,859	25,395	31,185	36,301
Investments	66,246	76,103	87,954	1,02,381
Advances	2,34,836	2,65,859	3,08,313	3,59,984
Fixed Assets & Other Assets	17,064	18,478	21,501	25,083
Total Assets	3,49,005	3,85,835	4,48,954	5,23,750

Source: Company, Axis Securities Research

Ratio Analysis
(%)

Y/E March	FY25	FY26E	FY27E	FY28E
VALUATION RATIOS				
EPS	16.5	15.5	20.8	24.6
Earnings Growth (%)	8.0	-6.1	33.9	18.5
BVPS	136.1	152.2	170.8	197.2
Adj. BVPS	131.9	147.7	166.0	191.8
ROAA (%)	1.2	1.1	1.3	1.4
ROAE (%)	13.0	10.9	13.0	13.8
P/E (x)	16.4	17.5	13.0	11.0
P/ABV (x)	2.1	1.8	1.6	1.4
PROFITABILITY				
NIM (%)	3.1	3.0	3.2	3.4
Cost-Income Ratio	54.0	54.7	51.8	49.8
BALANCE SHEET STRUCTURE RATIOS				
Loan Growth (%)	12.1	13.2	16.0	16.8
Deposit Growth (%)	12.3	12.0	15.6	16.4
C-D Ratio	82.8	83.7	84.0	84.2
Equity/Assets (%)	9.6	10.0	9.6	10.3
Equity/Loans (%)	14.2	14.5	14.0	15.0
CAR	16.4	16.9	16.4	17.3
CAR Tier I	15.0	15.7	15.2	16.2
ASSET QUALITY				
Gross NPLs (%)	1.9	1.7	1.6	1.6
Net NPLs (%)	0.4	0.4	0.4	0.4
Coverage Ratio (%)	76.2	75.0	75.0	75.0
Credit Costs	0.3	0.6	0.5	0.5
ROAA TREE				
Net Interest Income	2.9	2.8	3.0	3.1
Non-Interest Income	1.2	1.2	1.3	1.3
Operating Cost	2.2	2.2	2.2	2.2
Provisions	0.2	0.4	0.4	0.4
Tax	0.4	0.4	0.4	0.5
ROAA	1.3	1.1	1.3	1.4
Leverage (x)	10.5	10.2	10.2	10.0
ROAE	13.1	10.9	13.0	13.8

Source: Company, Axis Securities Research

Federal Bank Price Chart and Recommendation History



Date	Reco.	TP	Research
01-Jun-24	BUY	205	Top Picks
01-Jul-24	BUY	205	Top Picks
24-Jul-24	BUY	230	Result Update
01-Aug-24	BUY	230	Top Picks
02-Sep-24	BUY	230	Top Picks
01-Oct-24	BUY	230	Top Picks
29-Oct-24	BUY	230	Result Update
29-Jan-25	BUY	225	Result Update
02-May-25	BUY	230	Result Update
04-Aug-25	BUY	240	Result Update
22-Aug-25	BUY	240	AAA
20-Oct-25	BUY	260	Result Update
30-Oct-25	BUY	265	Company Update
19-Jan-26	BUY	320	Result Update

Source: Axis Securities Research

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 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.

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 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.