# Kaynes Technology India | BUY

## Placing faith in past execution track record

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**We attended Kaynes Technology's analyst meet, wherein the management reiterated: (1) Confidence in achieving FY26E guidance, (2) Progress in OSAT and PCB facilities being on track, and (3) Capex of ~INR 85bn over FY26-30E in OSAT, PCB manufacturing, and a copper clad laminate facility. We note that concerns exist over: (1) High capex and many new avenues posing as a risk to execution; (2) Coupled with high growth, necessitating higher working capital, which may make incremental dilution inevitable; and (3) A higher working capital cycle, restricting cash flow generation. However, we understand that similar concerns existed over its ability to execute when it announced a foray into OSAT and PCB manufacturing. Since then, it has demonstrated excellent execution capabilities, as visible from customers onboarded and orders won. Incrementally, the stock has corrected ~24% from its Oct'25 highs, post which, our PT indicates 21% upside to CMP, despite an EPS cut of 4-13% through FY26-28E as we factor in higher depreciation. Hence, we upgrade to BUY, with a PT of INR 7,000 (basis SoTP valuation).**

- **4Q performance to enable meeting FY26E revenue guidance:** We note that FY26E revenue guidance of INR 45bn remains unchanged. Out of this, the core EMS business should contribute ~INR 42bn, followed by the August Electronics acquisition contributing ~INR 2bn, and the new OSAT business contributing ~INR 1bn. In the core EMS business, 35-40% of full year estimate, i.e. ~INR 16bn, should be derived in 4Q, as has been the case historically (35% in FY24 and 36% in FY25). On similar lines, FY28E consolidated revenue guidance of INR 88bn (~USD 1bn), including INR 70bn from the core EMS business, remains intact.

- **OSAT, PCB businesses on track; FY26/27E revenue commitments to be met:** OSAT and PCB manufacturing businesses are ramping up well. So, revenue commitment of INR 1bn from OSAT in FY26E, and INR 10bn and INR 5bn from OSAT and PCB manufacturing respectively in FY27E should be met. The company is targeting to service nearly 10 clients through existing OSAT capacities, out of which the top 4 anchors, including Infineon, L&T semiconductor, AOS (Alpha & Omega Semiconductor), and Mitsui & Co., are likely to occupy 60% of the capacities.

- **Massive capex planned:** The company plans to incur ~INR 85bn+ in capex over FY26-30E. Of this, the OSAT facility in Sanand will entail total capex of ~INR 33bn, (~INR 4bn in FY26E, ~INR 8.5bn in FY27E, ~INR 9.5bn in FY28E and INR 10bn in FY29E). Similarly, the PCB manufacturing in Chennai will include ~INR 14bn of total capex initially (~INR 6bn in FY26E, ~INR 8bnin FY27E. Besides this, within the PCB vertical, an incremental ~INR 17bn each is planned for HDI/flex PCB manufacturing, and a copper clad laminate (CCL) facility. The rest will form part of Kaynes' camera module aspirations and expansion in the core EMS business. These expansion plans are expected to be funded through a mix of borrowings, internal accruals, government subsidies and equity funding. While most of these projects are eligible for government subsidies, including capex and revenue-linked, it is crucial to note that the initial investment will have to be funded by equity or debt, since government subsidies will be received with a lag.

- **Taking steps to solidity working capital structure; expect major improvement by end-FY26E:** We also note that ~INR 2.3bn (earlier ~INR 3bn) of non-current receivables from the acquisition of Iskraemeco are expected to be cleared out by end-FY26E, through a mix of factoring and collections. Further, net working capital is expected to come down to 70-80 days by end-FY26E. This will be key to Kaynes reporting positive OCF in FY26E.

| Recommendation and Price Target | |
|---|---|
| Current Reco. | BUY |
| Previous Reco. | ADD |
| Current Price Target (12M) | 7,000 |
| Upside/(Downside) | 21.2% |
| Previous Price Target | 7,350 |
| Change | -4.8% |

| Key Data – KAYNES IN | |
|---|---|
| Current Market Price | INR5,778 |
| Market cap (bn) | INR387.3/US$4.3 |
| Free Float | 45% |
| Shares in issue (mn) | 66.9 |
| Diluted share (mn) | 66.9 |
| 3-mon avg daily val (mn) | INR3,984.3/US$44.7 |
| 52-week range | 7,825/3,825 |
| Sensex/Nifty | 84,587/25,885 |
| INR/US$ | 89.2 |

**Price Performance**

| % | 1M | 6M | 12M |
|---|---|---|---|
| Absolute | -13.6 | -4.1 | -2.0 |
| Relative* | -14.0 | -7.3 | -7.2 |

** To the BSE Sensex*

**Financial Summary** (INR mn)

| Y/E March | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| Net Sales | 18,046 | 27,218 | 42,579 | 65,947 | 89,166 |
| Sales Growth (%) | 60.3 | 50.8 | 56.4 | 54.9 | 35.2 |
| EBITDA | 2,542 | 4,107 | 6,525 | 10,947 | 15,550 |
| EBITDA Margin (%) | 14.1 | 15.1 | 15.3 | 16.6 | 17.4 |
| Adjusted Net Profit | 1,833 | 2,934 | 3,901 | 5,911 | 8,680 |
| Diluted EPS (INR) | 28.6 | 45.8 | 58.3 | 88.4 | 129.8 |
| Diluted EPS Growth (%) | 74.9 | 60.1 | 27.2 | 51.5 | 46.8 |
| ROIC (%) | 20.8 | 15.8 | 11.4 | 11.8 | 13.7 |
| ROE (%) | 10.6 | 11.0 | 10.2 | 11.5 | 14.8 |
| P/E (x) | 203.5 | 127.1 | 99.9 | 65.9 | 44.9 |
| P/B (x) | 15.0 | 13.1 | 8.1 | 7.2 | 6.2 |
| EV/EBITDA (x) | 148.8 | 94.6 | 59.4 | 36.5 | 25.9 |
| Dividend Yield (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Source: Company data, JM Financial. Note: Valuations as of 25/Nov/2025

## Revenue and margin guidance

- **Revenue guidance:** In 2Q, was targeting INR 10bn in revenue, but delivered a shade lower (INR 9bn). Full-year EMS revenue (INR 41bn-42bn) will be highly contingent on the 4th quarter. 35-40% of FY26E EMS revenue will come from 4Q, which is ~INR 16bn of EMS revenue expected in 4Q. Besides EMS, in FY26E, OSAT should drive revenue of INR 1bn, and above that August Electronics will contribute ~INR 2bn to consolidated revenue.

- **Longer-term guidance:** Target INR 88bn of revenue by FY28E, which includes INR 70bn from the EMS business. This is a conservative estimate, and expect to surpass this.

- **Key segments:** The proportion of smart meters has reduced in 1H. Other verticals have seen good growth. In industrials, have gotten orders for some non-smart meter businesses, in railways getting significant traction in Kawach and the core railway business. In automotive as well, visibility provides confidence to perform.

- **Smart meters:** Industrials and EV registered INR 9bn of revenue in 1H, out of total revenue of INR 15.8bn. Out of the INR 9bn, EVs was ~INR 1.8bn, and out of the balance, INR 4.5bn was smart meter revenue, while the rest was other industrial products. Smart meters should contribute around INR 8bn-10bn in FY26 and have a good order visibility for the segment.

- **Segmental plans/targets:**
  - **Automotive:** Includes 3 different activities – (1) large customers like a French auto major, which can contribute 5-6% of FY27E revenue of INR 60bn+, (2) a new product category, likely to be a JV, and (3) growth of existing customers, which can post ~25% revenue growth. Automotive will remain 30% of consolidated revenue.
  - **Industrial and EVs:** See big opportunity in 2-wheelers and 4-wheelers. Target revenue of INR 8bn-10bn in smart meters through FY26E, and expect growth in other industrial products to continue.
  - **Railways:** Over the last month several RFQs have come in within railway existing products. This coupled with Kawach business should drive good growth (+50-60%) in this segment.
  - **Aerospace:** Should be a high-growth area (60%+ growth), progressing well with potential customers.

## Higher working capital

- **Iskraemeco receivables:** Other non-current assets have been higher due to legacy receivables that got added when Iskraemeco was integrated. The total amount then was INR 3bn, which has come down to INR 2.3bn now. This is now trending lower as some collections have happened, whereas some portion has been discounted. By end-FY26E, will get rid of the other non-current assets portion of receivables. These receivables include extended periods of credit given to Power Grid Corporation of India for smart meter supply, since Iskraemeco was earlier acting as a full-fledged AMISP, but Kaynes was looking to change the nature to a device and solutions company rather than an AMISP.

- **Receivables:** By end of the year, should bring receivables under control, through factoring with recourse to the customer and some collections. Target positive OCF for full year FY26E; however, this is contingent upon clearing the higher receivables lying in other non-current assets.

- **Inventory and overall working capital:** Inventories will also improve. Expect net working capital to come down to 70-80 days by end-FY26E.

## OSAT and PCB

- **OSAT:** OSAT ramping up well, and on track. Consequently, revenue commitments made here should be met in FY26E and FY27E. Target revenue of INR 10bn from OSAT in FY27E,

- **PCB manufacturing:** PCB factory is also nearly ready, and machines are currently undergoing trials. Hence, revenue commitment made for FY27E will be achieved for PCB manufacturing. Target revenue of INR 5bn from PCB manufacturing in FY27E,

- **Capex:** Total capex expected until FY29E is ~85bn. This includes capex not yet approved by the board, and will be approved as time progresses.
  - PCB manufacturing in Chennai will include ~INR 14bn. In FY26E, ~INR 6bn of this will be incurred, and the facility will be operational as targeted. Balance capex will be incurred in FY27E.

- OSAT facility in Sanand will include capex of ~INR 33bn. In FY26E, will complete ~INR 4bn of total capex, another ~INR 8.5bn in FY27E, ~INR 9.5bn in FY28E and INR 10bn in FY29E.

- **Working capital:** These businesses should not adversely affect working capital.
- **Clientele:** Targeting 10 clients to be serviced through existing OSAT capacities. Top 3-4 anchor clients should make up 60% of the capacities. Anchor customers include Infineon, L&T semiconductor, AOS (Alpha & Omega Semiconductor), and Mitsui & Co.,

## Space technology aspirations

- **The target here:** Within Kaynes Space Tech, have put together a space of scientists (includes 15 people retired from the Chandraayan 1 mission) and the first dummy satellite should go into the orbit by May'26, and the ready one by Dec'26 of ~20kg payload.
- **More on the business:** Learning how to design and assembly of a satellite. This includes standardised and customised solutions. These are not designs available off the shelf. Building satellites includes those built for customers, while longer-term aspirations are to provide services by using satellites. The ultimate target is to evolve into an ODM.
- **Capex and targets:** Objective was to make 1 satellite in FY27E, and aspire to manufacture 10 satellites in FY28E. Cost expectation for the first satellite is INR 300mn. Over the near term, expect investments to be limited to ~INR 2.5bn over the next 2-3 years.
- **Drones:** Alongside, also working on drones, as management foresees major demand for drones. Currently, drone usage is majorly in defence but believe that several other use cases are likely in daily life as well.
- **Profitability:** The idea is to ensure these companies are profitable early into their journey. Not too keen on burning cash beyond the first year of operations.

## Capex Plans

- Have a capex plan of about INR 85bn till FY29, with working capital requirement of INR 20bn till FY29.
- This will be funded partly by equity (~INR 18bn), borrowing (~INR 19bn), government subsidiary (~INR 35bn) and internal accruals.

## Others

- Working on several acquisitions, expect to make some announcements by end-FY26E.
- A large 2-wheeler EV customer currently contributes 7-8% of total revenue. This was 12% of total revenue last year.

**Exhibit 1. Kaynes Technology – SoTP valuation**

| Particulars | INR per share |
|---|---|
| **Target Price (A+B+C)** | **6,963** |
| **CMP (INR)** | **5,778** |
| **Upside (%)** | **21.2%** |
| **EMS (A)** | |
| Sep'27E | 104.1 |
| P/E Multiple | 55 |
| **Target** | **5,775** |
| **OSAT (B)** | |
| Mar'29E | 20.3 |
| Disc. @ 12% to FY27E | 17.2 |
| P/E Multiple | 44 |
| **Target** | **762** |
| **PCB (C)** | |
| Mar'29E | 11.4 |
| Disc. @ 12% to FY27E | 9.6 |
| P/E Multiple | 44 |
| **Target** | **427** |

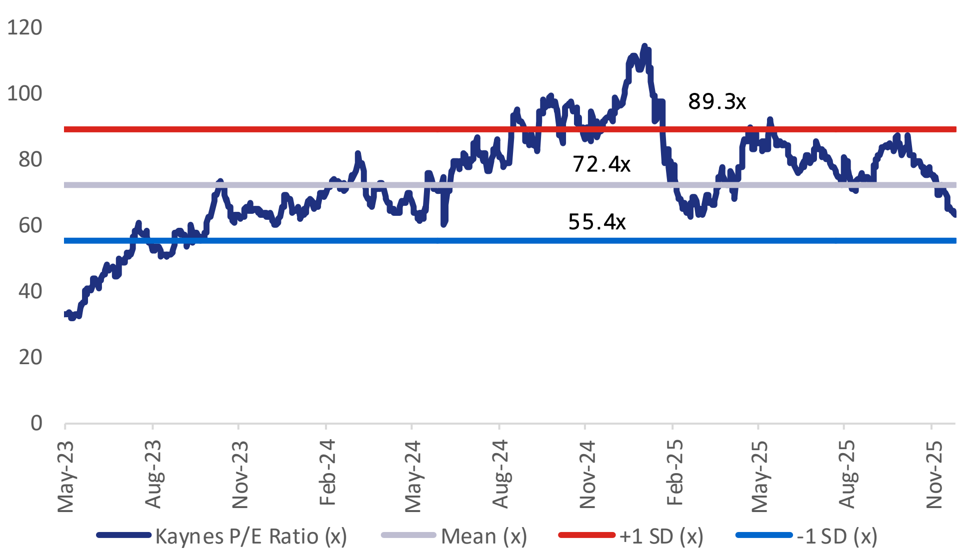
Source: Company, JM Financial

**Exhibit 2. Kaynes – EPS revision table**

| Year End Mar (INR mn) | FY26E | FY27E | FY28E |
|---|---|---|---|
| **Revenues** | | | |
| Old | 42,579 | 65,947 | 89,166 |
| New | 42,579 | 65,947 | 89,166 |
| Change | 0.0% | 0.0% | 0.0% |
| **EBITDA** | | | |
| Old | 6,525 | 11,004 | 15,693 |
| New | 6,525 | 10,947 | 15,550 |
| Change | 0.0% | -0.5% | -0.9% |
| **EBITDA margins** | | | |
| Old | 15.3% | 16.7% | 17.6% |
| New | 15.3% | 16.6% | 17.4% |
| Change | 0 | -9 | -16 |
| **Recurring PAT** | | | |
| Old | 3,879 | 6,157 | 9,024 |
| New | 3,901 | 5,911 | 8,680 |
| Change | 0.6% | -4.0% | -3.8% |
| **EPS** | | | |
| Old | 58.0 | 92.1 | 134.9 |
| New | 58.3 | 88.4 | 129.8 |
| Change | 0.6% | -4.0% | -3.8% |

Source: Company, JM Financial

**Exhibit 3. Kaynes – 1-yr forward P/E band chart (since listing)**




Source: Company, JM Financial

# Financial Tables (Consolidated)

| Income Statement | | | | | (INR mn) |
|---|---|---|---|---|---|
| **Y/E March** | **FY24A** | **FY25A** | **FY26E** | **FY27E** | **FY28E** |
| Net Sales | 18,046 | 27,218 | 42,579 | 65,947 | 89,166 |
| *Sales Growth* | *60.3%* | *50.8%* | *56.4%* | *54.9%* | *35.2%* |
| Other Operating Income | 0 | 0 | 0 | 0 | 0 |
| **Total Revenue** | **18,046** | **27,218** | **42,579** | **65,947** | **89,166** |
| Cost of Goods Sold/Op. Exp | 13,299 | 18,997 | 28,874 | 43,682 | 58,726 |
| Personnel Cost | 1,028 | 1,781 | 2,720 | 3,645 | 4,631 |
| Other Expenses | 1,178 | 2,333 | 4,460 | 7,674 | 10,259 |
| **EBITDA** | **2,542** | **4,107** | **6,525** | **10,947** | **15,550** |
| *EBITDA Margin* | *14.1%* | *15.1%* | *15.3%* | *16.6%* | *17.4%* |
| *EBITDA Growth* | *51.0%* | *61.6%* | *58.9%* | *67.8%* | *42.0%* |
| Depn. & Amort. | 251 | 447 | 994 | 2,554 | 3,572 |
| EBIT | 2,290 | 3,660 | 5,531 | 8,393 | 11,978 |
| Other Income | 559 | 1,070 | 1,202 | 1,160 | 906 |
| Finance Cost | 534 | 1,013 | 1,382 | 1,838 | 1,975 |
| PBT before Excep. & Forex | 2,316 | 3,716 | 5,350 | 7,716 | 10,909 |
| Excep. & Forex Inc./Loss(-) | 0 | 0 | 0 | 0 | 0 |
| PBT | 2,316 | 3,716 | 5,350 | 7,716 | 10,909 |
| Taxes | 483 | 782 | 1,449 | 1,805 | 2,229 |
| Extraordinary Inc./Loss(-) | 0 | 0 | 0 | 0 | 0 |
| Assoc. Profit/Min. Int.(-) | 0 | 0 | 0 | 0 | 0 |
| Reported Net Profit | 1,833 | 2,934 | 3,901 | 5,911 | 8,680 |
| **Adjusted Net Profit** | **1,833** | **2,934** | **3,901** | **5,911** | **8,680** |
| *Net Margin* | *10.2%* | *10.8%* | *9.2%* | *9.0%* | *9.7%* |
| Diluted Share Cap. (mn) | 64.0 | 64.0 | 66.9 | 66.9 | 66.9 |
| **Diluted EPS (INR)** | **28.6** | **45.8** | **58.3** | **88.4** | **129.8** |
| *Diluted EPS Growth* | *74.9%* | *60.1%* | *27.2%* | *51.5%* | *46.8%* |
| Total Dividend + Tax | 0 | 0 | 0 | 0 | 0 |
| Dividend Per Share (INR) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Source: Company, JM Financial

| Cash Flow Statement | | | | | (INR mn) |
|---|---|---|---|---|---|
| **Y/E March** | **FY24A** | **FY25A** | **FY26E** | **FY27E** | **FY28E** |
| Profit before Tax | 2,316 | 3,716 | 5,350 | 7,716 | 10,909 |
| Depn. & Amort. | 251 | 447 | 994 | 2,554 | 3,572 |
| Net Interest Exp. / Inc. (-) | 0 | 0 | 0 | 0 | 0 |
| Inc (-) / Dec in WCap. | -1,683 | -1,288 | -8,073 | -4,739 | -6,542 |
| Others | 25 | 28 | -28 | 0 | 0 |
| Taxes Paid | -483 | -782 | -1,449 | -1,805 | -2,229 |
| **Operating Cash Flow** | **426** | **2,122** | **-3,206** | **3,726** | **5,711** |
| Capex | -2,756 | -7,667 | -15,200 | -20,449 | -12,341 |
| *Free Cash Flow* | *-2,330* | *-5,545* | *-18,406* | *-16,723* | *-6,630* |
| Inc (-) / Dec in Investments | -1,285 | -6 | 1,000 | 0 | 0 |
| Others | -1,116 | -5,569 | 2,413 | 4,139 | 3,917 |
| **Investing Cash Flow** | **-5,157** | **-13,242** | **-11,787** | **-16,310** | **-8,424** |
| Inc / Dec (-) in Capital | 13,448 | 623 | 16,000 | 0 | 0 |
| Dividend + Tax thereon | 0 | 0 | 0 | 0 | 0 |
| Inc / Dec (-) in Loans | 1,678 | 5,804 | 3,045 | 308 | 2,077 |
| Others | 0 | 0 | 0 | 0 | 0 |
| **Financing Cash Flow** | **15,126** | **6,428** | **19,045** | **308** | **2,077** |
| **Inc / Dec (-) in Cash** | **10,396** | **-4,693** | **4,052** | **-12,276** | **-636** |
| Opening Cash Balance | 4,860 | 15,256 | 10,563 | 14,615 | 2,339 |
| Closing Cash Balance | 15,256 | 10,563 | 14,615 | 2,339 | 1,703 |

Source: Company, JM Financial

| Balance Sheet | | | | | (INR mn) |
|---|---|---|---|---|---|
| **Y/E March** | **FY24A** | **FY25A** | **FY26E** | **FY27E** | **FY28E** |
| Shareholders' Fund | 24,885 | 28,442 | 48,343 | 54,254 | 62,934 |
| Share Capital | 639 | 641 | 670 | 670 | 670 |
| Reserves & Surplus | 24,246 | 27,801 | 47,673 | 53,585 | 62,265 |
| Preference Share Capital | 0 | 0 | 0 | 0 | 0 |
| Minority Interest | 0 | 0 | 0 | 0 | 0 |
| Total Loans | 3,061 | 8,755 | 11,800 | 12,109 | 14,186 |
| Def. Tax Liab. / Assets (-) | 102 | 130 | 102 | 102 | 102 |
| **Total - Equity & Liab.** | **28,047** | **37,327** | **60,245** | **66,464** | **77,222** |
| Net Fixed Assets | 3,980 | 9,517 | 23,157 | 41,053 | 49,821 |
| Gross Fixed Assets | 3,680 | 7,724 | 21,026 | 40,526 | 55,026 |
| Intangible Assets | 152 | 141 | 141 | 141 | 141 |
| Less: Depn. & Amort. | 903 | 1,350 | 3,010 | 5,614 | 9,346 |
| Capital WIP | 1,051 | 3,002 | 5,000 | 6,000 | 4,000 |
| Investments | 1,318 | 1,324 | 324 | 324 | 324 |
| Current Assets | 27,354 | 35,571 | 50,645 | 46,597 | 55,922 |
| Inventories | 5,483 | 8,144 | 12,366 | 17,938 | 23,640 |
| Sundry Debtors | 3,556 | 5,746 | 10,929 | 13,461 | 17,588 |
| Cash & Bank Balances | 15,256 | 10,563 | 14,615 | 2,339 | 1,703 |
| Loans & Advances | 0 | 0 | 0 | 0 | 0 |
| Other Current Assets | 3,060 | 11,118 | 12,734 | 12,859 | 12,990 |
| Current Liab. & Prov. | 4,605 | 9,085 | 13,881 | 21,509 | 28,845 |
| Current Liabilities | 3,923 | 7,072 | 11,817 | 19,347 | 26,581 |
| Provisions & Others | 681 | 2,013 | 2,064 | 2,162 | 2,264 |
| Net Current Assets | 22,750 | 26,486 | 36,764 | 25,088 | 27,077 |
| **Total – Assets** | **28,047** | **37,327** | **60,245** | **66,464** | **77,222** |

Source: Company, JM Financial

| Dupont Analysis | | | | | |
|---|---|---|---|---|---|
| **Y/E March** | **FY24A** | **FY25A** | **FY26E** | **FY27E** | **FY28E** |
| Net Margin | 10.2% | 10.8% | 9.2% | 9.0% | 9.7% |
| Asset Turnover (x) | 0.9 | 0.8 | 0.8 | 1.0 | 1.1 |
| Leverage Factor (x) | 1.1 | 1.2 | 1.3 | 1.3 | 1.4 |
| RoE | 10.6% | 11.0% | 10.2% | 11.5% | 14.8% |

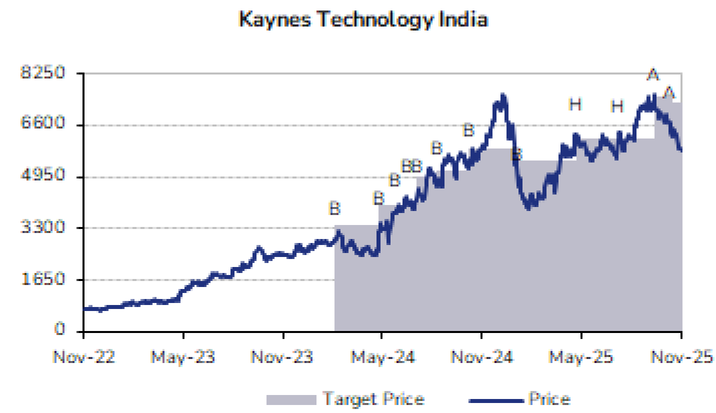
| Key Ratios | | | | | |
|---|---|---|---|---|---|
| **Y/E March** | **FY24A** | **FY25A** | **FY26E** | **FY27E** | **FY28E** |
| BV/Share (INR) | 388.8 | 444.3 | 722.8 | 811.2 | 941.0 |
| ROIC | 20.8% | 15.8% | 11.4% | 11.8% | 13.7% |
| ROE | 10.6% | 11.0% | 10.2% | 11.5% | 14.8% |
| Net Debt/Equity (x) | -0.5 | -0.1 | -0.1 | 0.2 | 0.2 |
| P/E (x) | 203.5 | 127.1 | 99.9 | 65.9 | 44.9 |
| P/B (x) | 15.0 | 13.1 | 8.1 | 7.2 | 6.2 |
| EV/EBITDA (x) | 148.8 | 94.6 | 59.4 | 36.5 | 25.9 |
| EV/Sales (x) | 21.0 | 14.3 | 9.1 | 6.1 | 4.5 |
| Debtor days | 72 | 77 | 94 | 75 | 72 |
| Inventory days | 111 | 109 | 106 | 99 | 97 |
| Creditor days | 89 | 108 | 83 | 77 | 74 |

Source: Company, JM Financial

## History of Recommendation and Target Price

| Date | Recommendation | Target Price | % Chg. |
|---|---|---|---|
| 27-Feb-24 | Buy | 3,410 | |
| 18-May-24 | Buy | 4,060 | 19.1 |
| 17-Jun-24 | Buy | 4,060 | 0.0 |
| 7-Jul-24 | Buy | 3,995 | -1.6 |
| 27-Jul-24 | Buy | 4,935 | 23.5 |
| 3-Sep-24 | Buy | 5,135 | 4.1 |
| 31-Oct-24 | Buy | 5,850 | 13.9 |
| 28-Jan-25 | Buy | 5,500 | -6.0 |
| 18-May-25 | Hold | 6,200 | 12.7 |
| 31-Jul-25 | Hold | 6,200 | 0.0 |
| 8-Oct-25 | Add | 7,550 | 21.8 |
| 5-Nov-25 | Add | 7,350 | -2.6 |

## Recommendation History



# APPENDIX I

## JM Financial Institutional Securities Limited

**Corporate Identity Number: U67100MH2017PLC296081**
**Member of BSE Ltd. and National Stock Exchange of India Ltd.**
**SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610**
**Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.**
**Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com**
**Compliance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: ashley.johnson@jmfl.com**
**Grievance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: instcompliance@jmfl.com**

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

| **New Rating System: Definition of ratings** | |
|---|---|
| **Rating** | **Meaning** |
| **BUY** | Expected return >= 15% over the next twelve months. |
| **ADD** | Expected return >= 5% and < 15% over the next twelve months. |
| **REDUCE** | Expected return >= -10% and < 5% over the next twelve months. |
| **SELL** | Expected return < -10% over the next twelve months. |

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

| **Previous Rating System: Definition of ratings** | |
|---|---|
| **Rating** | **Meaning** |
| **BUY** | Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields. |
| **HOLD** | Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months. |
| **SELL** | Price expected to move downwards by more than 10% from the current market price over the next twelve months. |

* REITs refers to Real Estate Investment Trusts.

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