

Market snapshot



Equities - India	Close	Chg. %	CYTD. %
Sensex	76,728	-0.5	-10.0
Nifty-50	23,946	-0.5	-8.4
Nifty-M 100	61,567	-0.4	1.8
Equities-Global	Close	Chg. %	CYTD. %
S&P 500	7,440	1.1	8.7
Nasdaq	25,820	1.8	11.1
FTSE 100	10,484	-0.4	5.6
DAX	24,627	-1.5	0.6
Hang Seng	7,605	0.0	-14.7
Nikkei 225	69,468	-4.0	38.0
Commodities	Close	Chg. %	CYTD. %
Brent (US\$/Bbl)	71	-2.6	14.4
Gold (\$/OZ)	4,016	-0.3	-7.0
Cu (US\$/MT)	13,253	0.2	6.4
Almn (US\$/MT)	3,084	-2.2	3.9
Currency	Close	Chg. %	CYTD. %
USD/INR	94.5	0.1	5.2
USD/EUR	1.1	0.5	-2.8
USD/JPY	161.9	0.1	3.3
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	6.8	-0.02	0.2
Flows (USD b)	29-Jun	MTD	CYTD
FII's	-0.14	-3.39	-29.2
DII's	0.30	7.98	49.0
Volumes (INRb)	29-Jun	MTD*	YTD*
Cash	1,935	1415	1371
F&O	2,76,972	2,54,223	2,69,371

Note: Flows, MTD includes provisional numbers.

*Average



Today's top research idea

The Corner Office | Kirloskar Oil Engines: Multiple growth levers

- ❖ We recently hosted KOEL management, represented by Ms. Gauri Kirloskar, Vice Chairperson & Managing Director, and her team, for a meeting with a group of investors. We remain positive on the overall demand environment in the segments in which KOEL is currently operating such as powergen, industrial and even exports.
- ❖ Recent large order win from one of the hyperscalers is also positive for the company, with execution to be completed during this fiscal. We believe that the successful and timely completion of this order will open up opportunities from other data centre projects. Ongoing capex of the company will also enable it to capitalize on the strong demand in the powergen and industrial segments as highlighted in our previous note.
- ❖ The company's initiatives on new product development will also yield results over time. We bake in execution of this order and raise our FY27/FY28 estimates by 3%/10%. We maintain BUY with a revised TP of INR2,750. Key risks to our estimates would come from delays in execution and lower margins going forward.



Research covered

Cos/Sector	Key Highlights
The Corner Office Kirloskar Oil Engines	Multiple growth levers
Tata Capital Initiating Coverage	Growth with guardrails, anchored in discipline!
Nestle India Annual Report	Broad-based growth recovery; cash flows improve
Automobiles	Sector earnings outlook improves with easing input cost pressure
EcoScope	May'26 IIP: Manufacturing and power lead industrial growth



Chart of the Day: The Corner Office | Kirloskar Oil Engines (Multiple growth levers)

KOEL has a vast range of CPCB4+-compliant diesel gensets

Range	No. of models
<7.5kVA	2 (3.5, 5.5 kVA)
7.5-20kVA	4 (7.5, 10, 15, 20kVA)
25-58.5kVA	4 (25, 30, 40, 58.5kVA)
82.5-160kVA	3 (82.5, 125, 160kVA)
200-250kVA	2 (200, 250kVA)
180-250kVA	3 (180, 200, 250kVA)
320-750kVA	5 (320, 400, 500, 625, 750kVA)
1000-1500kVA	3 (1010, 1250, 1500kVA)
>1500kVA	2 (1500, 2020kVA)

Source: Company, MOFSL

KOEL's Optiprime gensets offer products up to 3000kVA

Node	In the configuration of...
117kVA	(58.5 x 2) kVA
320kVA	(160 x 2) kVA
400kVA	(200 x 2) kVA
500kVA	(250 x 2) kVA
640kVA	(320 x 2) kVA
1000kVA	(500 x 2) kVA
1500kVA	(750 x 2) kVA
2020kVA	(1010 x 2) kVA
2500kVA	Dual and Quad Core
3000kVA	Dual and Quad Core

Source: Company, MOFSL

Research Team

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.



In the news today



Kindly click on textbox for the detailed news link

1

Yes Bank plans to raise up to ₹16,000 crore through equity, debt

Private sector lender Yes Bank on Monday said it plans to raise up to ₹16,000 crore, including up to ₹7,500 crore in equity and up to ₹8,500 crore in debt.

2

KEC International secures ₹1,754 crore orders across T&D and cables businesses

RPG Group firm and a global infrastructure major, KEC International Ltd, on Monday (June 29), said it has secured new orders worth ₹1,754 crore across its transmission and distribution (T&D) and cables & conductors businesses.

3

Pine Labs pumps nearly ₹25 crore into subsidiary to fund expansion plans

Pine Labs on Monday infused nearly ₹24.99 crore into its wholly owned subsidiary, Synergistic Financial Networks, through a rights issue to meet working capital requirements and pursue future expansion plans.

4

Sterling and Wilson Renewable Energy secures \$560 mn solar project in Egypt

Sterling and Wilson Renewable Energy Limited (SWREL) announced on Monday that it has secured a solar power project valued at around \$560 million in Egypt's Minya Governorate.

5

SJVN signs PPAs with Gujarat Urja Vikas Nigam for hydro power from Himachal Pradesh

The agreements cover power supply from three projects: 66 MW Dhaulasidh HEP, 210 MW Luhri Stage-I HEP, and 382 MW Sunni Dam HEP. The PPAs were signed at Vadodara, Gujarat, by Aman Katoch, General Manager (C&SO), SJVN, and Sanjay Mathur, General Manager (Commerce), GUVNL, in the presence of senior officials from both organisations.

6

Hindustan Zinc eyes three new metals in five years

Hindustan Zinc Ltd plans to add at least three new metals to its portfolio over the next five years as it seeks to transform from a zinc-focused miner into a diversified critical minerals company, chief executive Arun Misra said at its 60th annual general meeting on Monday

7

PayU swings to Ebitda profit in FY26 as payments, credit businesses rally

Digital payments firm PayU India turned profitable on an Ebitda basis in FY26, reporting \$19 million in Ebitda in the second half of the fiscal year as improvements in its payments and lending businesses lifted profitability, parent company Prosus...

Multiple growth levers

We recently hosted KOEL management, represented by Ms. Gauri Kirloskar, Vice Chairperson & Managing Director, and her team, for a meeting with a group of investors. We remain positive on the overall demand environment in the segments in which KOEL is currently operating such as powergen, industrial and even exports. Recent large order win from one of the hyperscalers is also positive for the company, with execution to be completed during this fiscal. We believe that the successful and timely completion of this order will open up opportunities from other data centre projects. Ongoing capex of the company will also enable it to capitalize on the strong demand in the powergen and industrial segments as highlighted in our [previous note](#). The company's initiatives on new product development will also yield results over time. We bake in execution of this order and raise our FY27/FY28 estimates by 3%/10%. We maintain BUY with a revised TP of INR2,750. Key risks to our estimates would come from delays in execution and lower margins going forward.

Powergen segment has many growth levers for future

We expect KOEL's powergen segment to benefit from 1) volume and pricing-led growth in below-750kVA gensets; 2) scale-up of demand in HHP products across user segments which is coming from data centers and infrastructure sectors, including real estate, hospitality, hospitals and industrial customers; 3) future order wins in HHP/Optiprime from data centers as the company is scaling up across colocation, edge and hyperscalers; and 4) capacity expansion for scaling up engine capacity. The company has a gross block of INR26b and is incurring a capex of INR21b over the next two years. This indicates the confidence of management in the overall demand scenario going forward. We, thus, believe that the powergen segment can potentially grow at a much faster pace, as the demand environment remains strong and the company is preparing itself with capex as well as with its work on bigger projects to target future opportunities. We bake in execution of HyperNext order for 96 units of 2500kVA Optiprime product in powergen segment and expect this segment's revenues to clock 35% CAGR over FY26-29E.

Industrial segment targeting new applications using existing platforms

The company continues to expand its industrial business by developing application-specific engine solutions for sectors such as railways, defense, construction and mining, using its existing engine platforms and in-house engineering expertise. Management indicated that the transition to BS-V emission norms not only helped retain existing customers but also enabled the company to win new customer accounts through deeper engagement during the product validation process. Looking ahead, execution of the NPCIL order worth INR7.7b is expected to commence in FY27 and continue over the next couple of years. Execution of the Navy's Make-I category 6MW Medium Speed Marine Diesel engine order worth INR2.7b will begin from FY28-29 onward. Management believes the successful delivery of these strategic prototypes could unlock significantly larger opportunities in the nuclear and defense segments.

Kirloskar Oil Engines



**Ms. Gauri Kirloskar, Vice
Chairperson & Managing Director**

Ms. Gauri has served on the Board of Kirloskar Oil Engines since 2014 and has played an active role across the Kirloskar Group, contributing both at the governance level and in key operational capacities. Under her leadership, Kirloskar Oil Engines has seen a significant business transformation journey, covering all areas of the company, including leadership, products and technology roadmap, resulting in a significant jump in revenue, profits and market share of the company.

Exports gaining transition beyond niche markets

KOEL is building a dedicated international business by investing in local talent, distribution, service capabilities and regional partnerships to establish a sustainable global presence. While exports were historically concentrated in niche applications such as mining engines in South Africa and firefighting pump engines in the Middle East, the company's strategy has shifted toward expanding its core powergen portfolio across international markets. The Middle East and Africa remain the primary growth regions, supported by a local GOEM assembly model that enhances cost competitiveness, while Southeast Asia is another key focus market. The US remains a long-term strategic opportunity despite barriers related to regulations and customer preferences. Optiprime has also started gaining traction in export markets, alongside broader growth across the company's powergen portfolio.

Financial outlook

We raise our estimates for the powergen segment to factor in execution of hyperscaler order. We thus expect revenue/EBITDA/PAT to post a CAGR of 28%/34%/38% over FY26-29E, with margin of 14%/15%/15% for FY27/FY28/FY29. We expect improved revenue to result in operating leverage gains, thereby driving margin expansion over FY27-29E.

Valuation and view

The stock is currently trading at 55.1x/38.5x/29.3x P/E on FY27/FY28/FY29E earnings. Adjusted for subsidiary valuation, KOEL is trading at 51.3x/35.9x/27.3x P/E on FY27/FY28/FY29E earnings. We reiterate our **BUY rating with a revised SoTP-based TP of INR2,750.**

Key risks and concerns

Any slowdown in demand in key segments, aggressive competition from other players, and a surge in commodity prices could adversely impact overall earnings for the company.

Tata Capital

BSE Sensex
 77,100

S&P CNX
 24,056

TATA CAPITAL

Count on us

Stock Info

Bloomberg	TATACAP IN
Equity Shares (m)	4245
M.Cap.(INRb)/(USDb)	1543.6 / 16.4
52-Week Range (INR)	380 / 296
1, 6, 12 Rel. Per (%)	17/14/-
12M Avg Val (INR M)	1525
Free float (%)	14.6

Financial Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
NII	126.7	162.0	201.5
PPP	96.2	126.8	159.2
PAT	49.3	68.9	89.6
EPS (INR)	11.7	16.4	21.3
EPS Gr. (%)	20	40	30
BV/Sh. (INR)	109	125	146

Ratios (%)

NIM	5.2	5.4	5.5
C/I ratio	38.3	34.9	33.2
RoA	1.8	2.1	2.3
RoE	12.5	14.0	15.7

Valuation

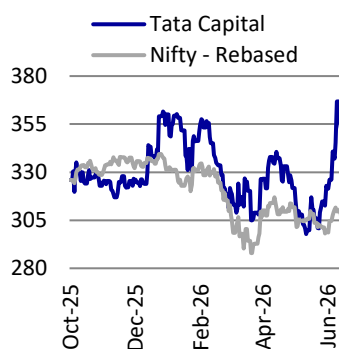
P/E (x)	31.0	22.2	17.1
P/BV (x)	3.3	2.9	2.5
Div. Yield (%)	0.2	0.2	0.2

Shareholding Pattern (%)

As On	Mar-26	Dec-25
Promoter	85.4	85.4
DII	3.6	3.3
FII	5.5	5.3
Others	5.4	6.0

FII includes depository receipts

Stock's performance



CMP: INR364

TP: INR390 (+7%)

Neutral

Growth with guardrails, anchored in discipline!

Fundamentals improving but valuations pricing in the upside

- Tata Capital (TCL) is among India's leading diversified NBFCs, with an AUM of INR2.77t as of Mar'26. The company has delivered a robust ~29% AUM CAGR (excluding Motor Finance) over FY23-26, reflecting the strength of its franchise, diversified business model, and consistent execution.
- TCL's loan portfolio is highly granular, with ~98% of accounts carrying ticket sizes below INR10m. Asset quality is supported by a predominantly secured lending book (~80% secured), while the portfolio is also well diversified, with no single product contributing more than 20% of total loans. We believe TCL is well-positioned to sustain a healthy AUM CAGR of ~23% over FY26-28E, along with a calibrated shift toward higher-yielding segments and continued investments in digital capabilities.
- TCL benefits from a strong liability franchise, supported by Tata Group parentage and a AAA credit rating. This enables access to funding at competitive costs. We expect margins to gradually improve as the portfolio mix shifts further toward retail and unsecured lending, with NIMs increasing to ~5.4%/5.5% in FY27E/FY28E from ~5.2% in FY26.
- The company has displayed disciplined cost control measures through digital initiatives, process improvements, and branch-level productivity. As new branches scale and technology matures, productivity gains are expected to enhance efficiency. We estimate cost-to-income of ~35%/~33% and opex-to-avg. assets of 2.1%/2.0% in FY27/FY28.
- TCL has consistently demonstrated prudent risk management through disciplined underwriting standards and proactive collection practices. While credit costs remained below 1% during FY23-FY24, they increased following the TMFL merger, driven by elevated delinquencies in the captive vehicle finance business and stress within certain unsecured lending portfolios.
- TCL is now steadily turning around its Motors Finance business, with this segment returning to profitability in 4QFY26. Further, unsecured segments are also experiencing a sharp asset quality improvement, leading to moderation in credit costs. We expect credit costs to moderate further to ~1.1% in both FY27 and FY28.
- TCL represents a high-quality franchise with strong parentage, a granular and increasingly retail-oriented portfolio, and a demonstrated track record of execution. While we expect the company to deliver healthy AUM growth and gradual improvement in profitability over the medium term, we believe current valuations adequately reflect these positives.
- **We initiate coverage on TCL with a Neutral rating and a TP of INR390, based on 2.7x Mar'28E P/BV. A meaningful re-rating would likely require sustained improvement in RoA and RoE and continued expansion in higher-yielding retail lending segments.**

TCL operates an integrated omni-channel distribution model that combines i) an extensive branch network and in-house sales force, ii) a broad partner ecosystem, and iii) proprietary digital platforms.

The company benefits from strong parentage and an AAA credit rating, enabling access to funding at among the lowest borrowing costs in the NBFC sector.

TCL has maintained disciplined control over operating expenses through a strong focus on productivity, process optimization, and digital transformation.

Phygital distribution model drives scale and customer reach

- TCL operates an integrated omni-channel distribution model that combines i) an extensive branch network and in-house sales force; ii) a broad partner ecosystem comprising DSAs, OEMs, dealers, and digital partners; and iii) proprietary digital platforms. This enables the company to serve a diverse customer base across urban and rural markets, enhancing accessibility, reach, and customer experience.
- The seamless integration of physical, partner-led, and digital channels creates a scalable “phygital” ecosystem that broadens customer acquisition, improves operating efficiency, optimizes distribution costs, and strengthens customer engagement. Supported by this distribution advantage, we expect TCL to deliver an AUM CAGR of ~23% over FY26-28E.

Margin expansion fueled by rising unsecured mix

- TCL’s margins have remained relatively stable in recent years, supported by a diversified product mix and risk-calibrated pricing. A growing share of higher-yielding retail and SME loans has largely offset yield compression in corporate and housing finance portfolios.
- Its NIM moderated in FY26 due to slower growth in unsecured lending and the continued runoff of the motor finance portfolio. However, improving disbursement trends in unsecured segments and the turnaround of the motor finance business are expected to support margin recovery from FY27.
- On the liability side, TCL benefits from strong parentage and an AAA credit rating, enabling access to funding at among the lowest borrowing costs in the NBFC sector. While a softer rate environment may provide some support, the scope for a meaningful decline in funding costs remains limited amid elevated bond yields and geopolitical uncertainty.
- We expect portfolio yields to improve gradually (as the mix shifts toward higher-yielding unsecured products) and offset the slight increase in borrowing costs. Consequently, we forecast NIMs to expand to ~5.4%/5.5% in FY27E/FY28E.

Cost ratios to improve through productivity gains and AI-led efficiencies

- TCL has maintained disciplined control over operating expenses through a strong focus on productivity, process optimization, and digital transformation. Continued investments in technology and operational efficiency initiatives have helped support profitability while scaling the business.
- The company significantly expanded its branch network from 539 branches in FY23 to 1,477 branches in FY26, which, along with the integration of TMFL, led to a temporary increase in operating expense ratios.
- Going forward, the realization of merger synergies, improved productivity of newly added branches, and increased adoption of technology, AI, and digital tools are expected to drive operating leverage and enhance employee productivity. Accordingly, we expect the cost-to-income ratio to improve to ~35%/33% and opex-to-average assets to decline to 2.1%/2.0% in FY27E/FY28E.

TCL has made significant progress in stabilizing the motor finance business, with the segment returning to profitability in 4QFY26.

Initiate coverage on TCL with a Neutral rating and a TP of INR390, based on 2.7x Mar'28E P/BV.

Credit cost pressures largely behind; normalization underway

- TCL has maintained healthy asset quality through disciplined underwriting and proactive collection practices. Its underwriting framework is tailored across product segments, combining rule-based automation with high-touch assessment where required.
- This approach helped keep credit costs benign during FY23–24. However, asset quality came under pressure in FY25 due to stress in select unsecured retail segments, including personal loans, business loans, microfinance, and CV financing. Additionally, the merger with TMFL led to elevated reported credit costs, driven by weakness in the captive motor finance portfolio, particularly in rural and semi-urban markets.
- TCL has made significant progress in stabilizing the motor finance business, with the segment returning to profitability in 4QFY26, supported by stronger disbursements, improving asset quality, lower slippages, and higher recoveries. Asset quality trends across unsecured portfolios have also improved materially, resulting in a steady decline in credit costs over the past few quarters.
- Underpinned by prudent underwriting, strong collections, and improving portfolio performance, we expect credit costs for the combined entity to normalize gradually. We forecast credit costs (as a % of average loans) at ~1.1% in both FY27 and FY28.

Initiate coverage with a Neutral rating and a TP of INR390

- TCL is one of India's leading diversified NBFCs, supported by the strong Tata brand, a diversified portfolio, and a consistent execution track record. The company has delivered robust growth while maintaining prudent risk management and healthy asset quality.
- We expect TCL to benefit from the large retail and SME credit opportunity, supported by its expanding distribution network, digital capabilities, strong liability franchise, and increasing focus on granular, higher-yielding segments. The turnaround of TMFL, improving operating leverage, and moderating credit costs should further support profitability.
- While the outlook remains favorable, we believe current valuations adequately reflect the company's medium-term growth and earnings potential. We therefore **initiate coverage on TCL with a Neutral rating and a TP of INR390**, based on 2.7x Mar'28E P/BV.
- **Key risks:** 1) Margin pressure from intensifying competition, 2) higher-than-expected stress in the unsecured portfolio leading to elevated credit costs, and 3) slower-than-expected turnaround of TMFL affecting profitability and return ratios.

Valuation matrix of diversified NBFCs under our coverage

Val summary	Rating	CMP (INR)	TP (INR)	MCap (INRb)	BV (INR)		RoA (%)		RoE (%)		P/E (x)		P/BV (x)	
					FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
TCL	Neutral	364	390	1,543	125	146	2.1	2.3	14.0	15.7	22.2	17.1	2.9	2.5
BAF	Neutral	980	1,000	6,161	222	265	4.0	4.1	19.6	20.5	24.4	19.6	4.4	3.7
Poonawalla	Buy	440	520	346	164	191	2.0	2.4	12.4	16.6	25.2	15.0	2.7	2.3
ABCL	Buy	391	430	1,034	144	165	-	-	13.5	15.7	20.9	16.1	2.7	2.4
LTFH	Buy	299	340	743	125	140	2.5	2.6	13.2	14.8	19.2	15.2	2.4	2.1
Piramal Finance	Buy	2,129	2,325	481	1,342	1,480	2.0	2.6	8.2	11.5	20.0	13.1	1.6	1.4
MAS Financial	Buy	311	410	57	182	208	2.9	2.9	14.1	14.9	12.9	10.7	1.7	1.5
IIFL Finance	Buy	510	600	223	376	442	2.4	2.7	15	17.7	9.7	7.1	1.4	1.2
HDB Financial	Neutral	743	720	606	285	328	2.3	2.5	13.4	14.3	20.9	16.9	2.6	2.3
Jio Financial	Buy	239	315	1,516	234	257	2.0	2.4	5.7	8.9	70.5	46.8	1.0	0.9
Northern Arc	Buy	288	390	48	275	319	2.9	3.2	12.8	15	8.7	6.5	1.0	0.9

STORY IN CHARTS

TCL: LEADING DIVERSIFIED NBFC | INITIATING COVERAGE WITH A NEUTRAL RATING

Strong Franchise & Scale Expansion

- ✓ One of India's largest NBFCs with **INR2.77t AUM (Mar'26)**
- ✓ Sustained **~29% AUM CAGR (FY23–26)** demonstrates strong franchise momentum
- ✓ Ranked **#3 NBFC in India by AUM**

Diversified & Granular Lending Model

- ✓ Strong presence across Retail, SME and Corporate lending
- ✓ Portfolio mix is highly balanced
- ✓ No single product >20% → reduces concentration risk

Retail & SME-Led Structural Growth

- ✓ Strategic shift toward higher-yielding retail and SME lending
- ✓ Expected continued portfolio rebalancing toward: Retail loans; SME credit; Emerging high-yield segments
- ✓ Sustained **~23% AUM CAGR (FY26–28E)**

Strong Liability Franchise

- ✓ Backed by: Tata Group parentage; AAA credit rating
- ✓ Ensures: Low cost of funds; Stable and diversified borrowing access

Digital & Operational Efficiency Gains

- ✓ Ongoing investments in: Digital lending; Branch productivity; Process automation
- ✓ Cost discipline maintained despite expansion and TMFL integration
- ✓ Improving scale benefits as branch network matures

Credit Cycle Recovery & Asset Quality Normalisation

- ✓ Motors Finance business turning around (with profitability achieved in 4QFY26)
- ✓ Improvement in unsecured asset quality
- ✓ Credit costs expected to stabilize at **~1.1% of AUM (FY27–FY28E)**

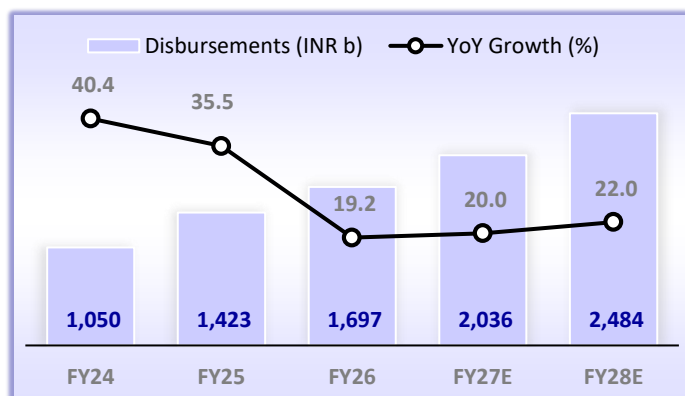
Risk-Adjusted Sustainable Growth Model

- ✓ Strong underwriting discipline
- ✓ Proactive collections framework
- ✓ Increasing share of secured lending (~80%)

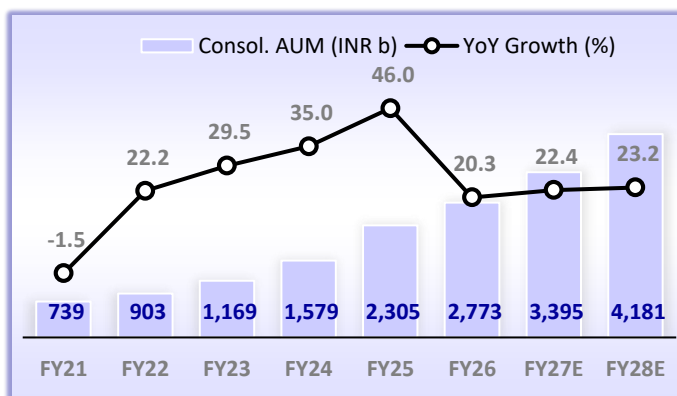
Initiate coverage on TCL

- ✓ Initiate coverage on TCL with a Neutral rating and a TP of INR390, based on 2.7x Mar'28E P/BV

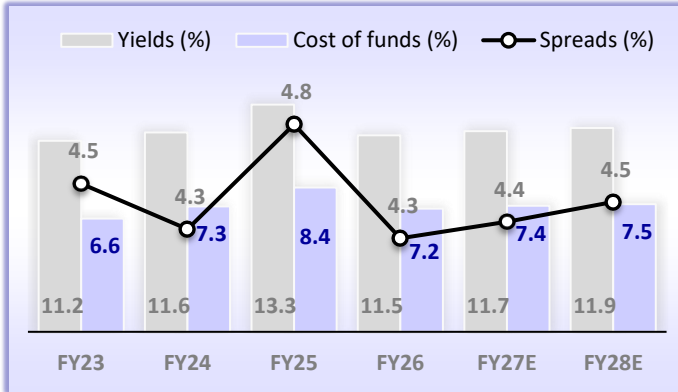
Disbursements CAGR of 21% over FY26-28E



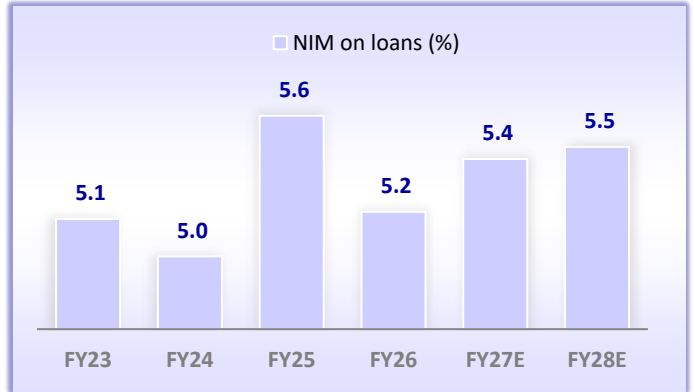
AUM CAGR of ~23% over FY26-28E



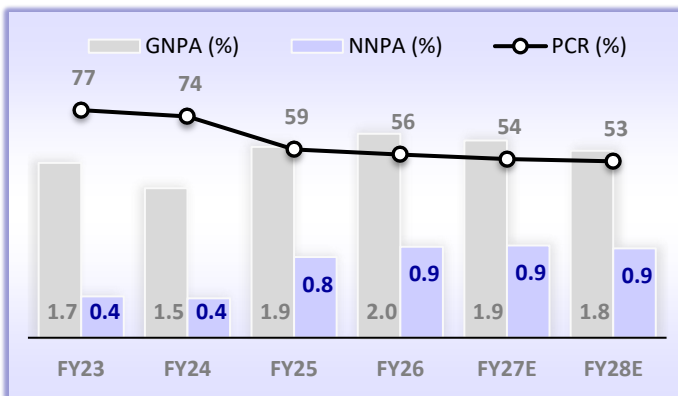
Spreads to expand over FY27/FY28E



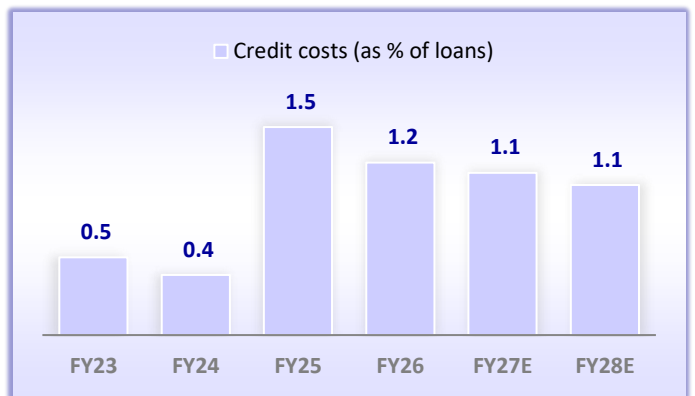
Expect NIM to be aided by yield expansion



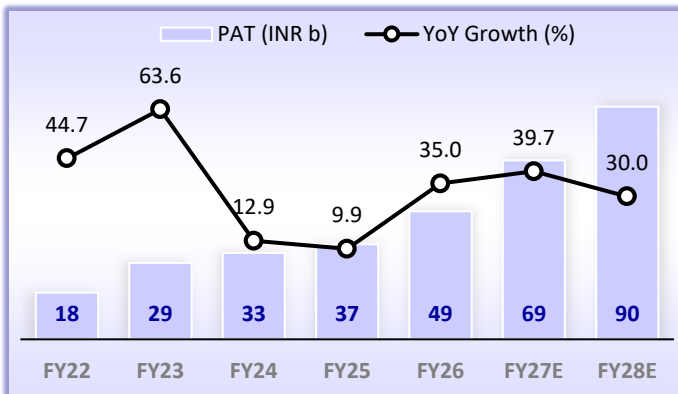
Asset quality to improve further in FY27/FY28



Credit costs to gradually moderate in FY27-28E

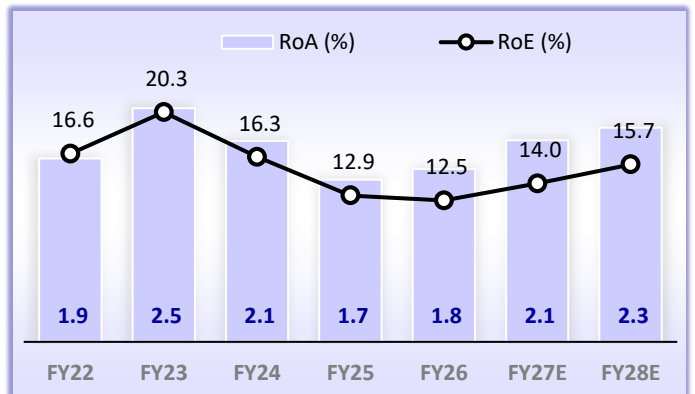


Estimate PAT CAGR of ~35% over FY26-28



Source: MOFSL, Company

RoA/RoE of 2.3%/15.7% in FY28



Source: MOFSL, Company

Nestle India

BSE SENSEX

76,728

S&P CNX

23,946

CMP: INR1,387 TP: INR1,400 (+1%)

Neutral



Stock Info

Bloomberg	NEST IN
Equity Shares (m)	1928
M.Cap.(INRb)/(USD\$)	2675.2 / 28.3
52-Week Range (INR)	1499 / 1085
1, 6, 12 Rel. Per (%)	-4/16/19
12M Avg Val (INR M)	1932
Free float (%)	37.2

Financials Snapshot (INR b)

Y/E Dec	2026	2027E	2028E
Sales	231.5	263.6	290.6
Sales Gr. (%)	14.6	13.8	10.3
EBITDA	53.7	63.8	71.6
Margins (%)	23.2	24.2	24.6
Adj. PAT	33.0	40.6	45.8
Adj. EPS (INR)	17.1	21.1	23.8
EPS Gr. (%)	7.5	23.1	12.8
BV/Sh.(INR)	27.5	33.8	40.9

Ratios

RoE (%)	70.8	68.7	63.6
RoCE (%)	69.2	71.2	65.4
Payout (%)	70.1	70.1	70.1

Valuations

P/E (x)	81.2	66.0	58.5
P/BV (x)	50.5	41.1	34.0
EV/EBITDA (x)	49.5	41.5	36.8
Div. Yield (%)	0.9	1.1	1.2

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	62.8	62.8	62.8
DII	12.4	12.1	11.3
FII	9.7	9.8	10.0
Others	15.1	15.3	15.9

FII Includes depository receipts

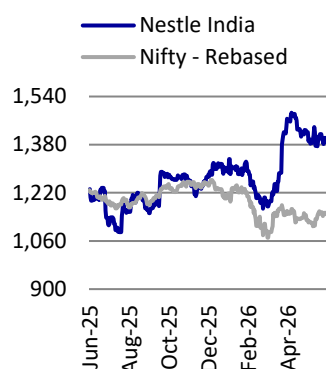
Broad-based growth recovery; cash flows improve

- Nestle India (Nestle) has seen a strong recovery in FY26, with revenue growth of 15% YoY, supported by a rebound in volume growth (+11% in FY26 vs. broadly flat volumes in FY25). Volume acceleration was led by strong double-digit growth across Prepared Dishes, Beverages and Confectionery. Milk Products & Nutrition reported a modest 2% volume decline in FY26 (vs. mid-single-digit decline in FY25).
- Distribution expansion, innovation, improving accessibility and market share gains have boosted growth. Distribution network increased to 5.3m retail outlets (from 5.2m in FY25), extending the company's presence to 0.22m villages (vs. 0.21m villages in FY25). Ecommerce contributes 12% of revenue in FY26.
- GP margin declined 130bp YoY in FY26 on rising RM prices. Commodity inflation remains a near-term overhang and could keep gross margin under pressure. However, ongoing productivity and cost-saving initiatives should help in reducing the impact at the EBITDA level.
- Nestle has an ongoing capex plan of ~INR50b for the last three years. FY26 capex was INR7.2b (3% of sales) and FY24/FY25 capex was INR22.4b/INR18.9b. Management's incremental focus will be on operating efficiencies and better utilization. Lower capex and better working capital management helped the cash conversion cycle turn negative (-1 day vs 15 days in FY25). Cash generation improved significantly, with OCF/FCF increasing to INR50.5b/INR42.2b from INR29.4b/INR9.3b in FY25.
- In F&B, Nestlé maintained its best-in-class execution. We model a CAGR of 12%, 15% and 18% in revenue, EBITDA and APAT, respectively, during FY26-28E. The stock is trading at 68x/60x FY27E/FY28E EPS. Given its expensive valuation, we reiterate our Neutral rating with a TP of INR1,400 (based on 60x P/E Mar'28E).

Double-digit volume growth across categories, except milk and nutrition

- **Milk Products & Nutrition (33% of sales):** It was the weakest-performing category in during the year, with volume declining 2% and value growth remaining largely flat. Management indicated that performance improved in the second half, reflecting a gradual stabilization in demand trends.
- **Prepared Dishes (32% of sales; includes Pet Foods):** The category reported healthy volume growth of 12% and revenue growth of 17% in FY26, supported by the continued strength of the MAGGI franchise. Purina Pet Care portfolio delivered high double-digit growth. Its online sales nearly doubled (+97%) during the year.
- **Beverages (16% of sales):** Sales rose 26% YoY (double-digit growth in coffee), with volume growth of 18% YoY and realization growth of 6% YoY. The strong growth was led by the company's focus on expanding coffee penetration and strengthening the relevance of the coffee category across consumer cohorts.
- **Confectionery (19% of sales):** Sales increased 33% YoY, with volume growth of 26% YoY and realization growth of 6% YoY, driven by improved demand, accelerated premiumization and the visi-cooler program. The company's visicooler program crossed 60,000 units by Mar'26, improving product freshness, visibility, and impulse purchases across retail channels

Stock performance (one-year)



High input costs weigh on margins

- Gross margin contracted 130bp YoY to 55.3% in FY26 due to inflation in key input costs such as dairy, edible oil, wheat, and packaging materials, which offset the benefit of easing coffee and cocoa prices. A&P spending as a percentage of sales grew 50bp YoY to 5.3% and royalty expenses remained stable at 4.9%. Other expenses as a percentage of sales decreased ~50bp YoY to 17.8%. EBITDA margin contraction moderated at ~80bp YoY to 23.2%.

Capex moderates; cash flow improves sharply

- Nestlé invested heavily over FY24-FY25, with capex of INR22.4b in FY24 and INR18.9b in FY25, primarily for expanding manufacturing capacity, including new production lines for Maggi, KitKat and Munch at its Sanand facility. With major capacity additions now almost complete, capex moderated to INR7.2b (3% of sales) in FY26, as the company shifted its focus from capacity creation to improving utilization of existing facilities.
- Lower capex and better working capital management significantly boosted cash generation. Cash conversion cycle turned negative by one day (vs. 15 days in FY25), aided by higher payables and lower inventory days. Further, Nestlé generated OCF/FCF of INR50.5b/INR42.2b (vs. INR29.4b/INR9.3b for FY25) on normalization of working capital.

Valuation and view

- There is no material change to our FY27 and FY28 EPS forecasts.
- GST 2.0 stimulates consumption, drives affordability, and contributes to the overall growth of the FMCG sector. About 85% of the company's portfolio has benefited from the GST 2.0, leading to strong volumes across LUPs and larger packs. Apart from macro tailwinds, Nestlé's own initiatives, such as its investments in brands, strengthening distribution, and increasing capacity, are cumulatively boosting strong performance delivery.
- Packaged food companies (15-20% crude linkage) are relatively less exposed crude compared to HPC players (25-30%).
- We model a CAGR of 12%/15%/18% in revenue/EBITDA/APAT over FY26-28E. The stock is trading at 68x/60x FY27E/FY28E EPS. Given its expensive valuation, we reiterate our Neutral rating on the stock with a revised TP of INR1,400 (based on 60x P/E Mar'28E).

Automobiles

Sector earnings outlook improves with easing input cost pressure

Retails continued to remain strong for PVs and tractors for the entire 1Q, including June, and are expected to grow in double digits, while the 2W segment is witnessing a revival in demand momentum, with likely double-digit retail growth in June. Further, MHCV volumes are expected to remain under pressure due to the onset of the monsoon and cautious sentiment following the West Asia conflict. Within PVs, we expect TMPV and MSIL to post strong double-digit growth and outperform the market, while HMIL is expected to post mid-single-digit growth. Overall, we expect the four listed PV OEMs to deliver an aggregate 21.5% wholesale growth in June'26. In 2Ws, we expect the four listed OEMs to report a 19% volume growth in June'26, largely led by strong retail performance in June and strong exports. From high optimism seen in 4Q, sentiment has now turned cautious in CVs given the West Asia conflict. Overall, we expect the top three CV OEMs to post ~9% aggregate volume growth for the month. In addition, tractors continue to witness healthy demand in the month. Accordingly, we expect the top two tractor OEMs to post about 18% YoY growth in wholesales for June. Overall, easing tensions in West Asia has led to a much-improved earnings outlook for the sector as crude prices have sharply corrected along with raw material prices. Our top OEM picks are MSIL, TVSL, and MM. Among auto ancillaries, our top picks are MSWIL, SAMIL, and Endurance.

- **PVs:** Demand continues to remain healthy for June, with retail likely to grow 20% YoY during the month. As such, the channel inventory continues to remain lean for most OEMs. We expect MSIL and TMPV to outperform industry growth in June with strong double-digit growth, given a healthy order backlog. On the other hand, HMIL is likely to witness single-digit volume growth in June. We understand MM continues to face some supply challenges, which are likely to be resolved in a couple of months. For TMPV, the recently launched Sierra and Punch EV are expected to boost wholesales. MSIL's wholesale volume growth is expected to be supported by a healthy order backlog, low channel inventory, and the ramp-up of incremental capacity at Kharkhoda. For HMIL, wholesale is likely to be muted on account of weak retail and lower exports, driven by higher Middle East exposure. Overall, for June, we expect the four listed PV players to post aggregate growth of 21.5% YoY in dispatches, largely driven by MSIL and TMPV.
- **2Ws:** After a tepid retail performance in May, volumes have picked up in June and are expected to record a strong 16% YoY growth. For June, we expect a 19% volume growth in dispatches for the four listed companies, aided by inventory normalization and strong retail. Growth is expected to be led by TVSL and RE. For BJAUT, healthy double-digit volume growth would be largely driven by sustained momentum in exports. We expect HMCL to underperform the industry with single-digit volume growth, as demand for up to 125cc motorcycles continues to underperform the premium industry demand.
- **CVs:** Retail demand has softened considerably for CVs, given the expected headwinds from the West Asia conflict. According to current trends in Vahan, TMCV continues to outperform peers, with healthy double-digit growth. Overall, we expect the top three players in this segment to post ~9% YoY growth in dispatches in June, largely over a low base of last year.

- **Tractors:** This segment continues to witness healthy demand trends even in the current fiscal, led by positive terms of trade for farmers and healthy reservoir levels. Demand momentum is likely to remain healthy in the tractor segment, at least in 1H. Overall, we expect the two listed players in this segment to post a healthy 18% YoY volume growth in June.
- **Valuation and view:** The demand momentum has remained healthy for all segments, barring CVs, in June. Further, easing tensions in West Asia has led to a much-improved earnings outlook for the sector as crude prices have sharply corrected along with raw material prices. Thus, while 1Q is likely to witness cost pressure, it is expected to subside in the coming quarters. Given the sustained demand momentum and cooling input cost pressure, we expect renewed investor interest in the sector over the coming quarters. Our top OEM picks are MSIL, TVSL, and MM. Among auto ancillaries, our top picks are MSWIL, SAMIL, and Endurance.

Auto OEM sales estimates for June'26

Company Sales	June-26	June-25	YoY (%) chg	May-26	MoM (%) chg	YTDFY27	YTDFY26	(%) chg	FY27E	Gr. (%)
Maruti Suzuki	2,09,021	1,67,993	24.4	2,42,688	-13.9	6,91,355	5,27,861	31.0	26,51,427	9.4
Domestic	1,67,395	1,30,151	28.6	2,00,774	-16.6	5,67,761	4,30,889	31.8	21,69,953	9.9
Export	41,626	37,842	10.0	41,914	-0.7	1,23,594	96,972	27.5	4,81,474	7.5
Hyundai Motor	64,041	60,924	5.1	61,137	4.8	1,90,788	1,80,399	5.8	8,37,086	8.0
Domestic	47,986	44,024	9.0	47,837	0.3	1,47,725	1,32,259	11.7	6,27,948	7.4
Exports	16,055	16,900	-5.0	13,300	20.7	43,063	48,140	-10.5	2,09,138	10.0
Mahindra & Mahindra	1,59,222	1,32,361	20.3	1,50,693	5.7	4,54,223	3,81,338	19.1	18,06,497	10.0
UV	53,929	47,306	14.0	58,021	-7.1	1,68,281	1,52,067	10.7	7,58,838	14.9
Tractors	63,003	53,392	18.0	49,695	26.8	1,61,109	1,34,089	20.2	5,47,459	4.0
Escorts Kubota	13,427	11,498	16.8	12,310	9.1	36,594	30,581	19.7	1,36,343	2.0
Tata Motors CV	34,072	30,238	12.7	32,850	3.7	1,01,755	85,606	18.9	4,72,530	10.3
Tata Motors PV	53,779	37,237	44.4	59,790	-10.1	1,73,270	1,24,809	38.8	6,99,791	9.1
Hero MotoCorp	5,97,187	5,53,963	7.8	5,70,068	4.8	17,33,341	13,67,070	26.8	69,62,193	7.6
Bajaj Auto	4,46,448	3,60,806	23.7	4,61,257	-3.2	14,21,497	11,11,237	27.9	57,98,236	13.3
Domestic	2,22,238	1,88,460	17.9	2,48,031	-10.4	7,18,479	6,34,808	13.2	30,98,017	8.0
Exports	2,24,211	1,72,346	30.1	2,13,226	5.2	7,03,019	4,76,429	47.6	27,00,220	20.0
TVS Motor	5,24,123	4,02,001	30.4	5,66,585	-7.5	15,64,678	12,77,172	22.5	65,89,790	20.0
Domestic	3,60,120	2,84,856	26.4	3,90,594	-7.8	11,04,676	9,24,710	19.5	47,98,448	11.5
Exports	1,64,003	1,17,145	40.0	1,75,991	-6.8	4,60,002	3,52,462	30.5	17,91,342	13.0
Eicher Motors										
Royal Enfield	1,06,162	89,540	18.6	1,03,231	2.8	3,22,557	2,65,528	21.5	14,21,087	14.7
VECV	7,921	7,363	7.6	7,978	-0.7	23,217	21,612	7.4	1,09,959	6.2
Ashok Leyland	15,758	15,333	2.8	14,923	5.6	45,327	44,238	2.5	2,35,177	6.7
M&HCV	9,514	9,829	-3.2	8,966	6.1	26,782	28,071	-4.6	1,51,279	6.0
LCV	6,245	5,504	13.5	5,957	4.8	18,546	16,167	14.7	83,898	7.9

EcoSCOPE

The Economy Observer

May'26 IIP: Manufacturing and power lead industrial growth

- Industrial production accelerated to 5.1% YoY in May'26 from 4.9% in Apr'26, supported by broad-based manufacturing activity and a sharp pickup in electricity generation.
- Manufacturing, accounting for over 76% of the IIP basket, grew by 5.5% YoY in May'26, with 16 out of 23 industries recording acceleration. The expansion was led by electrical equipment (+20.8%), motor vehicles (+14.5%), and basic metals (+4.6%).
- Electricity & Gas Supply emerged as the fastest-growing major sector, expanding 9.9% YoY in May'26, driven by 18.0% growth in renewable electricity generation and 8.8% growth in non-renewable electricity, reflecting robust power demand and sustained industrial activity.
- Mining remained the only weak segment, contracting 1.6% YoY in May'26, primarily due to a 6.4% decline in fuel minerals, although metallic minerals expanded by 18.3%.
- The use-based classification continued to indicate healthy investment activity. Capital goods production rose 12.9% YoY, marking another month of double-digit growth, while infrastructure & construction goods increased 5.9% YoY. However, infrastructure growth has moderated from the 11.8% average recorded during Nov'25-Feb'26, indicating a normalization after a period of exceptionally strong expansion.
- Consumption indicators remained supportive, led by urban demand. Consumer durables production expanded 7.2% YoY in May'26, supported by continued strength in discretionary spending. Consumer non-durables grew 3.6% YoY, improving from 0.2% in Apr'26. However, we remain cautious on the rural demand outlook, as the anticipated El Niño-led monsoon deficiency could weigh on kharif output, agricultural incomes, and rural purchasing power, limiting a broad-based recovery in mass consumption.
- A key structural development in this release was MoSPI's adoption of the Output Producer Price Index (Output PPI) in place of Wholesale Price Index (WPI) for deflating value-based production data. The revision affects 234 out of 463 item groups (36.0% of the IIP basket) and is expected to improve the measurement of real industrial output and enhance the quality of GDP estimation.
- Industrial production is expected to gain momentum over the coming months as geopolitical tensions in West Asia have eased significantly. The reopening of the Strait of Hormuz and the subsequent decline in crude oil prices should gradually reduce input costs and alleviate supply-side pressures, supporting manufacturing activity. However, it is likely to take a few months for shipping backlogs to clear and global supply chains to normalize fully, warranting a cautious stance on the near-term industrial outlook.
- Domestically, the uneven spatial distribution of the monsoon and significantly deficient rainfall so far, coupled with the expected impact of El Niño, pose downside risks to industrial activity. While electricity generation is likely to remain supported by elevated cooling demand during an extended summer, consumer-oriented industries, particularly those dependent on rural demand, could face headwinds as weaker agricultural output, lower farm incomes, and softer rural purchasing power weigh on consumption.

Exhibit 1: IIP and its components

(% YoY)	Old Weight	New Weight	Apr'25	May'25	Mar'26	Apr'26	May'26
Industry-based Classification							
Mining & Quarrying	14.4	11.1	0.6	5.8	-2.6	-3.8	-1.6
Manufacturing	77.6	76.1	5.8	4.2	4.0	6.1	5.5
Electricity / Electricity & Gas Supply	8.0	10.9	1.9	-5.1	1.2	4.6	9.9
Water Supply, Sewerage & Waste Management	–	2.0	8.2	8.5	6.4	6.6	5.5
General IIP	100.0	100.0	4.8	3.4	3.0	4.9	5.1
Use-based Classification							
Primary Goods	34.0	31.1	1.2	0.7	0.2	0.8	2.6
Capital Goods	8.2	8.1	14.5	9.5	8.5	12.0	12.9
Intermediate Goods	17.2	22.4	7.1	4.8	6.0	10.3	5.8
Infrastructure / Construction Goods	12.3	10.9	6.0	5.7	5.2	6.0	5.9
Consumer Durables	12.8	11.3	5.2	1.9	2.4	5.6	7.2
Consumer Non-Durables	15.3	16.1	3.3	3.3	-0.6	0.2	3.6

Exhibit 2: Comparison of item basket and weights of the new IIP series with the old series

Sector	Base Year 2011-12 Weight (%)	Item Groups	Base Year 2022-23 Weight (%)	Item Groups
Mining & Quarrying	14.372	1	11.053	3
Manufacturing	77.633	405	76.062	455
Electricity & Gas Supply	7.995	1	10.865	3
Water Supply, Sewerage & Waste Management	-	-	2.020	2
Total	100.0	407	100.0	463

Data highlights

Industrial activity strengthens in May; methodological revision improves the quality of IIP estimates

India's industrial production accelerated to 5.1% YoY in May'26 from 4.9% in April, indicating that industrial activity remained resilient despite an uneven global environment. The improvement was led by a broad-based expansion in manufacturing, robust electricity generation, and continued strength in investment-linked sectors.

Manufacturing continues to drive industrial growth

- Manufacturing, which carries over three-fourths of the weight in the IIP basket, expanded by 5.5% YoY in May'26, remaining the primary contributor to headline industrial growth. Of the 23 manufacturing industries, 16 registered positive growth, highlighting the broad-based nature of the expansion.
- **The strongest contributors were motor vehicles, electrical equipment, and basic metals.**
- The strongest contributors were electrical equipment (+20.8%), supported by robust production of switchgear, transformers, and UPS systems; motor vehicles (+14.5%), led by passenger vehicles, commercial vehicles, and auto components; and fabricated metal products (+15.5%).

- Other sectors that continued to post healthy growth included other transport equipment (+14.3%), textiles (+12.7%), computer, electronic & optical products (+11.4%), and paper products (+10.1%).
- On the other hand, weakness persisted in export-oriented and commodity-linked industries such as wearing apparel (-8.8%), printing (-10.3%), coke & refined petroleum products (-4.7%), chemicals (-1.3%), and leather products (-4.1%).

Investment cycle remains healthy

- **The use-based classification continues to signal a strong investment cycle. Capital goods output grew by 12.9% YoY in May'26**, marking another month of double-digit expansion and indicating healthy demand for machinery and equipment. Strong growth was also recorded in electrical equipment, fabricated metal products, machinery, and transport equipment. The persistence of strong capital goods growth is an encouraging indicator for future investment activity and productive capacity creation.
- Production of infrastructure and construction goods increased by 5.9% YoY in May'26 (vs. 6.0% in Apr'26). While the segment continues to post healthy growth, the pace has moderated from the average growth of 11.8% recorded during Nov'25-Feb'26, indicating a normalization in infrastructure activity after a period of exceptionally strong expansion.

Consumer demand shows further improvement

- Consumer-oriented industries also posted encouraging trends. Consumer durables production rose by 7.2% YoY in May'26, indicating continued strength in urban discretionary spending on automobiles, electronics, and household appliances.
- Meanwhile, consumer non-durables grew by 3.6% YoY in May'26, improving from just 0.2% YoY growth in Apr'26.

Electricity generation accelerates sharply

- The electricity and gas supply sector registered a robust 9.9% YoY growth in May'26, providing an important boost to overall industrial production.
- Renewable electricity generation expanded by 18.0%, while non-renewable generation increased by 8.8%, reflecting both higher seasonal power demand and continued capacity additions in the renewable energy sector.
- In contrast, gas supply contracted by 7.1% in May'26, partially offsetting the gains from electricity generation.

Mining remains the weak link

- In contrast to the strength observed across manufacturing and electricity, the mining sector contracted by 1.6% YoY in May'26.
- Output of fuel minerals declined by 6.4%, more than offsetting the strong 18.3% increase in metallic minerals production. The weakness in mining continues to act as a drag on headline industrial production.

Water supply and waste management maintained steady growth

- The Water Supply, Sewerage & Waste Management sector expanded by 5.5% YoY in May'26, broadly in line with its recent trend. Growth was supported by sewerage and waste management (+6.9%), while water supply increased by 4.3% in May'26.
- Although the sector has witnessed a gradual moderation from the exceptionally high growth rates seen following the base revision, it continues to record stable mid-single-digit expansion and remains a modest positive contributor to overall industrial production.

Methodological revision marks a significant improvement in industrial statistics

- Beyond the monthly growth numbers, the most important development in this release is MoSPI's decision to replace the WPI with the newly introduced Output PPI as the deflator for value-based production data. The revision affects 234 of the 463 item groups, representing 36.0% of the total IIP basket, making it one of the most significant methodological improvements in recent years.
- Output PPI provides a more detailed measure of producer prices at the factory gate and enables a more accurate conversion of nominal production into real output compared with WPI. The adoption of Output PPI aligns India's industrial statistics with international best practices and is expected to improve the quality of industrial production estimates. Since the IIP is an important input into quarterly GDP estimation, the methodological change also lays the foundation for a more accurate measurement of manufacturing output in the national accounts.

Historical series revised

- Following the adoption of Output PPI and incorporation of updated source data, MoSPI has revised the entire IIP series beginning FY23. Under the revised methodology, industrial production growth is estimated at 6.8% in FY24, 5.7% in FY25, and 4.3% in FY26. The revised series supersedes the earlier WPI-based estimates and should henceforth be used for all analytical and policy purposes.

Outlook:

- Industrial production is expected to gain momentum over the coming months as geopolitical tensions in West Asia have eased significantly. The reopening of the Strait of Hormuz and the subsequent decline in crude oil prices should gradually reduce input costs and alleviate supply-side pressures, supporting manufacturing activity. However, it is likely to take a few months for shipping backlogs to clear and global supply chains to normalize fully, warranting a cautious stance on the near-term industrial outlook.
- Domestically, the uneven spatial distribution of the monsoon and significantly deficient rainfall so far, coupled with the expected impact of El Niño, pose downside risks to industrial activity. While electricity generation is likely to remain supported by elevated cooling demand during an extended summer, consumer-oriented industries, particularly those dependent on rural demand, could face headwinds as weaker agricultural output, lower farm incomes, and softer rural purchasing power weigh on consumption.



Nalco : NALCO is targeting an EBITDA margin of 40–45% for FY27; Brijendra pratap , CMD

- **Aluminium Price Outlook:** The company expects aluminium prices to stabilize between \$2,900 and \$3,000 per ton - Despite higher costs in H1FY27 due to increased prices of caustic soda and fuel (HFO), these costs are expected to normalize in H2
- **Margin Expectations:** NALCO is targeting an EBITDA margin of 40–45% for FY27
- **Expansion & Revenue:** The company is moving ahead with its 1 million-ton alumina refinery expansion Despite current pressure on alumina prices due to excess supply from Indonesia and reduced demand in the Middle East, the company plans to offset this by increasing its presence in the domestic market and boosting export volumes
- **Revenue Growth:** With the new refinery contributing to production, NALCO is targeting revenues of approximately 19,000 crore rupees for the financial year
- **Operational Plans:** The company is increasing its captive coal consumption to 4.8 million tons this year, up from 4 million tons in the previous year

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Titagarh Rail : Seeing Strong demands for wagons ; Umesh Choudary, CMD

- **Freight Growth:** The company expects strong demand for wagons, targeting up to 1,000 units monthly depending on government tenders
- **Passenger Scaling:** With a robust pipeline for Metro and Vande Bharat projects, production is set to reach 20–25 cars monthly this year
- **Margin Expansion:** EBITDA margins for the passenger segment are expected to rise by 4% to 16% by FY30 once proprietary propulsion systems are integrated
- **Strategic Joint Venture:** The new wheel manufacturing facility aims to resolve industry shortages through import substitution, targeting a capacity of 220,000 wheels per year

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Delhivery : Aims to achieve 15-18% Growth -AI + Robotics + More Products ; Sahil Barua, CEO

- **Delhivery targets 15-18% growth** by expanding its logistics network through in-house AI, robotics, and supply chain infrastructure
- The company is scaling its international cross-border services for MSMEs, focusing on global fulfillment rather than operating transportation abroad
- Financial performance remains strong with 10,500 crores in FY26 revenue, driven by significant gains in parcel, part-truckload freight, and automated operations

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Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
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UNDER REVIEW	Rating may undergo a change
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