

India

ADD (no change)

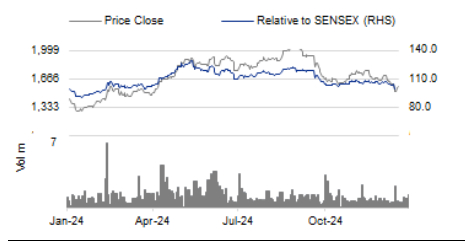
Consensus ratings*: Buy 23 Hold 12 Sell 6

Current price:	Rs1,574
Target price:	Rs2,010
Previous target:	Rs2,100
Up/downside:	27.7%
InCred Research / Consensus:	5.3%
Reuters:	HVEL.NS
Bloomberg:	HAVL IN
Market cap:	US\$13,591m Rs986,932m
Average daily turnover:	US\$23.9m Rs1736.6m
Current shares o/s:	626.7m
Free float:	40.6%

*Source: Bloomberg

Key changes in this note

- For FY25F-27F, we lower our revenue estimates by 1-3% and PAT estimates by 10-11%.




Source: Bloomberg


Price performance	1M	3M	12M
Absolute (%)	(9.1)	(12.8)	10.0
Relative (%)	(4.3)	(7.8)	2.6

Major shareholders	% held
Promoters	59.4
Nalanda India Equity Fund	4.1
Life Insurance Corporation	3.5

Research Analyst(s)



Arafat SAIYED
T (91) 22 4161 1542
E arafat.saiyed@incredresearch.com



Anirvan DIVAKERA
T (91) 02241611548
E anirvan.divakera@incredresearch.com

Havells India

Margin pressure persists

- 3Q EBITDA fell 1.4% to Rs4.3bn, 12% below our est. & 18% below consensus. PAT at Rs2.78bn, down 4% YoY, 18% below our est. & 23% below consensus.
- Minor price hikes were seen in lighting, cable and wire segments due to commodity price fluctuations and Indian rupee (INR) depreciation.
- For FY25F-27F, we cut our revenue estimates by 1-3% and PAT estimates by 10-11%. Retain our ADD rating on the stock with a lower TP of Rs2,010.

Relocation of plant impacts profitability

Havells India posted weaker-than-expected profits in 3QFY25, mainly due to plant relocation in the switchgear segment. Consolidated revenue grew 11% YoY to Rs48.9bn, 3% below our/Bloomberg (BB) consensus estimates while EBITDA fell 1.4% to Rs4.3bn, 12% below our estimate & 18% below the BB consensus estimate. PAT was at Rs2.78bn, down 4% YoY, 18% below our estimate and 23% below the BB consensus estimate. Minor price hikes were seen in lighting, cable & wire segments in response to commodity price fluctuations and INR depreciation.

Double-digit revenue growth

Revenue growth was led by a 15% growth in the ECD segment while switchgear and C&W segments grew 11% & 7%, respectively. Lloyd's sales rose 13% YoY. Improving consumer demand trend was aided by the festive season while infrastructure & industrial demand was robust in 3Q. Margin in the switchgear segment fell 596bp YoY due to sales mix change towards the project business and its factory under absorption due to relocation, which may normalize in the coming quarters. The ECD segment's margin fell 253bp YoY to 86% while A&P expenses growth normalization was due to a shift in the festive season. Other SG&A expenses rose due to a provision write-back in 3Q last year.

Lloyd to achieve breakeven

The Lloyd brand showed steady growth, with YTD performance approaching breakeven. Premiumization in the air-conditioning business is yielding results, making Lloyd one of the top 3 brands in India. The Rs4.8bn investment in a refrigerator plant at Jalore aims to shift the business from trading to in-house manufacturing for better control and margin.

Outlook and valuation; retain ADD rating

The demand outlook remains healthy, with a noticeable uptick in consumer trends. Investments in brand building are ongoing, indicating a strategic focus on enhancing brand visibility and market reach. For FY25F-27F, we cut revenue estimates by 1-3% and PAT estimates by 10-11%. We expect Havells India to maintain its market leadership in switchgear while also emphasizing that Lloyd's margin improvement would be a long-term journey as the company continues to invest in new product categories & global markets. We retain our ADD rating on the stock with a lower target price of Rs2,010 (Rs2,100 earlier) valuing it at 60x FY27F (from 1HFY27) EPS. Downside risks: Delay in B2C demand recovery, new competition, and Lloyd's losses.

Financial Summary	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	169,107	185,900	216,620	248,592	283,113
Operating EBITDA (Rsm)	15,991	18,426	20,542	26,825	30,675
Net Profit (Rsm)	10,717	12,708	14,073	18,140	20,998
Core EPS (Rs)	17.1	20.3	22.5	28.9	33.5
Core EPS Growth	(10.5%)	18.5%	10.7%	28.9%	15.8%
FD Core P/E (x)	92.00	77.62	70.10	54.39	46.98
DPS (Rs)	7.5	7.5	7.5	8.0	9.0
Dividend Yield	0.48%	0.48%	0.48%	0.51%	0.57%
EV/EBITDA (x)	60.38	51.88	46.39	35.16	30.33
P/FCFE (x)	522.50	319.14	124.03	64.73	51.88
Net Gearing	(31.0%)	(40.8%)	(40.0%)	(44.7%)	(50.0%)
P/BV (x)	14.88	13.25	11.77	10.17	8.78
ROE	17.0%	18.1%	17.8%	20.1%	20.1%
% Change In Core EPS Estimates			(10.39%)	(11.30%)	(10.30%)
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

3QFY25 conference-call highlights

- **Overview:** Havells India reported modest growth in 3QFY25 revenue and faced challenges in certain product categories. Domestic wire growth was impacted by commodity price fluctuations and moderating overall revenue growth. Consumer demand remained uneven, with weakness observed during the Diwali season but improvement towards the end of the quarter.
- **Segment-wise highlights:**
 - **Switchgear:** The segment witnessed revenue growth, but margin declined to 18% due to a higher proportion of lower-margin project-based sales and costs during the relocation of a plant from Faridabad to Sahibabad. Management emphasized that this decline is transitory, with the margin expected to normalize at 24%-25%.
 - **Lighting:** The lighting business posted 13%-14% volume growth YoY. However, pricing pressure due to deflation in LED chips persisted. Contribution margin remained stable at 30%-32%, and management expects price erosion to bottom out, leading to a recovery in profitability. Emerging technologies and premiumization remain the priority areas.
 - **Cable and wire:** This segment saw cables recording 11%-12% volume growth, driven by strong demand and operational scaling at the Tumkur plant. Wires faced volume decline due to commodity-driven price adjustments and destocking by channel partners in 3Q. The overall segment's growth was flat, with management expecting restocking and demand recovery trend in 4QFY25F.
 - **ECD:** The segment saw strong growth in domestic appliances and water heaters, aided by market share gains and better traction in modern retail channels. Contribution margin remained under pressure due to higher investments in brand building and channel expansion. Margin is expected to normalize to 12%-14% in the medium term. Fans and water heaters continue to post strong margins while small domestic appliances are also catching up.
 - **Lloyd brand:** It showed steady growth with YTD performance approaching break-even. Premiumization in the air-conditioning business is yielding results, making Lloyd one of the top 3 brands in India. The Rs4.8bn investment in a refrigerator manufacturing plant at Jalore aims to shift the business from trading to in-house manufacturing for better control and margin. Management remains committed to continuous brand-building investments to position Lloyd as a differentiated player. Lloyd's product diversification into refrigerators and washing machines underscores Havells India's ambition to establish itself as a complete consumer durable player.
- **Pricing actions:** Minor pricing adjustments were made in categories like lighting, cable and wire in response to commodity price fluctuations. The rise in copper prices and INR depreciation could lead to a slight price hike in the air-conditioner segment. Management emphasized that such pricing actions are strategic and do not indicate widespread pressure.
- **Outlook:** Havells India expects good demand for summer-centric products like air-conditioners and fans, supported by restocking in Jan and Feb 2025F. Channel partners displayed optimism for the upcoming summer season. However, the performance will largely depend on weather conditions. Investments in brand building, product premiumization, and channel expansion will continue, although management expects these costs to stabilize over time. Management expects a stronger 4QFY25F performance driven by restocking, seasonal product demand, and normalized operations post-relocations.

Figure 1: Results snapshot

Y/E Mar (Rs m)	3QFY25	3QFY24	YoY (%)	2QFY25	QoQ (%)	9MFY25	9MFY24	YoY (%)
Revenue	48,890	44,139	10.8%	45,393	7.7%	1,52,345	1,31,480	15.9%
Raw material costs	62,129	55,466	12.0%	69,640	-10.8%	1,01,694	89,125	14.1%
Staff costs	4,693	3,779	24.2%	4,646	1.0%	13,956	11,132	25.4%
Advertisement & promotion expenses	1,786	1,763	1.3%	1,307	36.7%	4,816	3,953	21.9%
Other expenditure	6,091	4,823	26.3%	5,615	8.5%	18,141	15,191	19.4%
Total expenditure	44,625	39,812	12.1%	41,642	7.2%	1,38,607	1,19,400	16.1%
EBITDA	4,265	4,327	-1.4%	3,751	13.7%	13,738	12,080	13.7%
EBITDA margin (%)	8.7%	9.8%	-108bp	8.3%	46bp	9.0%	9.2%	-17bp
Depreciation	1,041	877	18.8%	946	10.0%	2,907	2,451	18.6%
EBIT	3,224	3,450	-6.6%	2,805	15.0%	10,831	9,629	12.5%
Interest costs	94	102	-7.9%	101	-6.8%	280	280	0.1%
Other income	643	559	15.1%	929	-30.7%	2,346	1,732	35.4%
PBT	3,773	3,907	-3.4%	3,633	3.9%	12,896	11,081	16.4%
Tax	995	1,028	-3.2%	955	4.2%	3,365	2,840	18.5%
Reported PAT	2,779	2,879	-3.5%	2,678	3.8%	9,531	8,241	15.7%
Adj. PAT	2,779	2,879	-3.5%	2,678	3.8%	9,531	8,241	15.7%
EPS (Rs)	4.4	4.6	-3.5%	4.3	3.8%	15.2	13.1	15.7%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: Margin and cost analysis

Margins (%)	3QFY25	3QFY24	YoY	2QFY25	QoQ	9MFY25	9MFY24	YoY
Gross margin	34.4%	33.3%	115bp	33.7%	69bp	33.2%	32.2%	103bp
EBITDA	8.7%	9.8%	-108bp	8.3%	46bp	9.0%	9.2%	-17bp
Adjusted PAT	5.7%	6.5%	-84bp	5.9%	-22bp	6.3%	6.3%	-1bp

Cost analysis (%)	3QFY25	3QFY24	YoY	2QFY25	QoQ	9MFY25	9MFY24	YoY
Net raw material costs	65.6%	66.7%	-115bp	66.3%	-69bp	66.8%	67.8%	-103bp
Staff costs	9.6%	8.6%	104bp	10.2%	-64bp	9.2%	8.5%	69bp
Advertisement & promotion expenses	3.7%	4.0%	-34bp	2.9%	77bp	3.2%	3.0%	16bp
Other expenditure	12.5%	10.9%	153bp	12.4%	9bp	11.9%	11.6%	35bp
Total	91.3%	90.2%	108bp	91.7%	-46bp	91.0%	90.8%	17bp

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Segment-wise revenue and EBIT

(Rs m)	3QFY25	3QFY24	YoY (%)	2QFY25	QoQ (%)	9MFY25	9MFY24	YoY (%)
Revenue								
Switchgear	5,769	5,206	10.8%	5,513	4.6%	17,050	15,950	6.9%
Cables and wire	16,879	15,727	7.3%	18,052	-6.5%	50,143	45,280	10.7%
Lighting	4,464	4,335	3.0%	3,951	13.0%	12,291	12,045	2.0%
ECD	11,048	9,615	14.9%	8,564	29.0%	30,166	25,721	17.3%
Lloyd	7,422	6,561	13.1%	5,896	25.9%	32,605	24,644	32.3%
Others	3,308	2,695	22.8%	3,418	-3.2%	10,091	7,840	28.7%
Total	48,890	44,139	10.8%	45,393	7.7%	1,52,345	1,31,480	15.9%
EBIT								
Switchgear	1,048	1,256	-16.6%	1,150	-8.8%	3,620	4,164	-13.1%
Cables and wire	1,870	1,633	14.5%	1,548	20.8%	5,129	5,030	2.0%
Lighting	651	614	6.0%	501	30.0%	1,782	1,716	3.8%
ECD	953	1,073	-11.2%	643	48.2%	2,743	2,878	-4.7%
Lloyd	-361	-646	-44.1%	-243	48.4%	32	-2,007	-101.6%
Others	-67	44	-252.5%	66	-201.5%	109	171	-36.3%
Total	4,094	3,974	3.0%	3,664	11.7%	13,413	11,953	12.2%
EBIT Margin (%)								
Switchgear	18.2%	24.1%	-596bp	20.9%	-269bp	21.2%	26.1%	-487bp
Cables and wire	11.1%	10.4%	70bp	8.6%	250bp	10.2%	11.1%	-88bp
Lighting	14.6%	14.2%	42bp	12.7%	190bp	14.5%	14.2%	25bp
ECD	8.6%	11.2%	-253bp	7.5%	112bp	9.1%	11.2%	-210bp
Lloyd	-4.9%	-9.8%	497bp	-4.1%	-74bp	0.1%	-8.1%	824bp
Others	-2.0%	1.6%	-363bp	1.9%	-393bp	1.1%	2.2%	-110bp
Total	8.4%	9.0%	-63bp	8.1%	30bp	8.8%	9.1%	-29bp

SOURCE: INCRED RESEARCH, COMPANY REPORTS

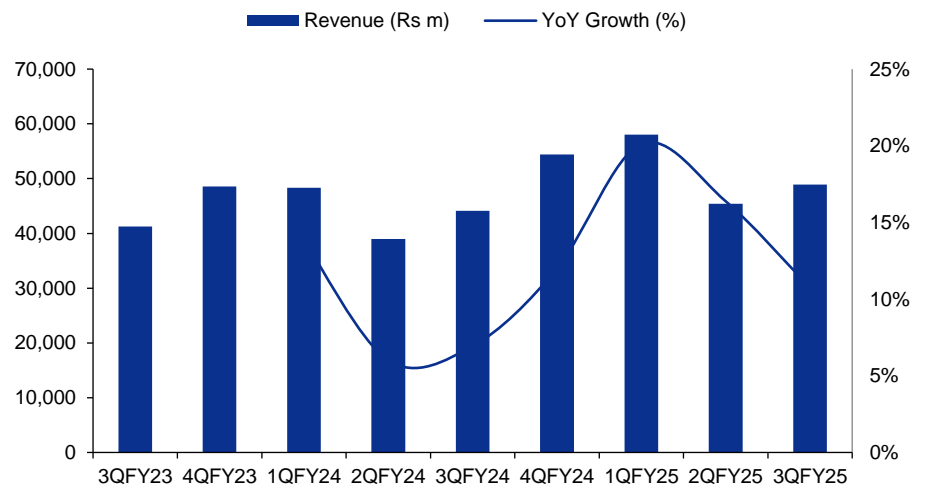
Figure 4: Actuals versus estimates

Actuals vs. InCred estimates			
Rs m	3QFY25	3QFY25F	Var (%)
Revenue	48,890	50,438	-3.1%
EBITDA	4,265	4,820	-11.5%
EBITDA margin (%)	8.7%	9.6%	-83bp
Adj. PAT	2,779	3,390	-18.0%

Actuals vs. Bloomberg consensus estimates			
Rs m	3QFY25	3QFY25C	Var (%)
Revenue	48,890	50,634	-3.4%
EBITDA	4,265	5,218	-18.3%
EBITDA margin (%)	8.7%	10%	-158bp
Adj. PAT	2,779	3,593	-22.7%

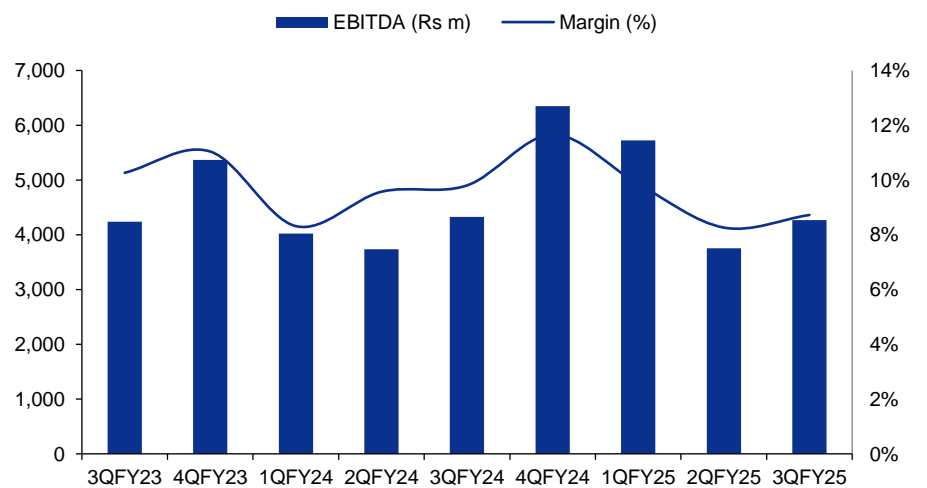
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Quarterly revenue trend



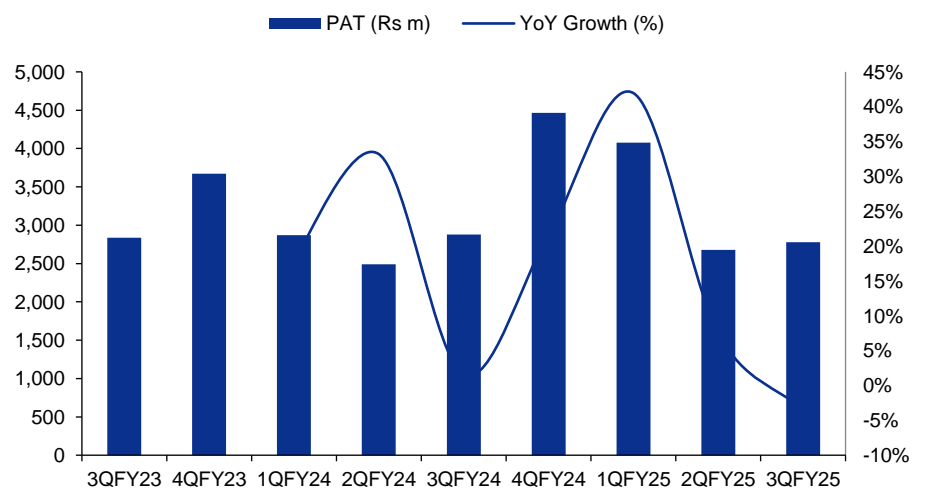
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: Quarterly EBITDA trend



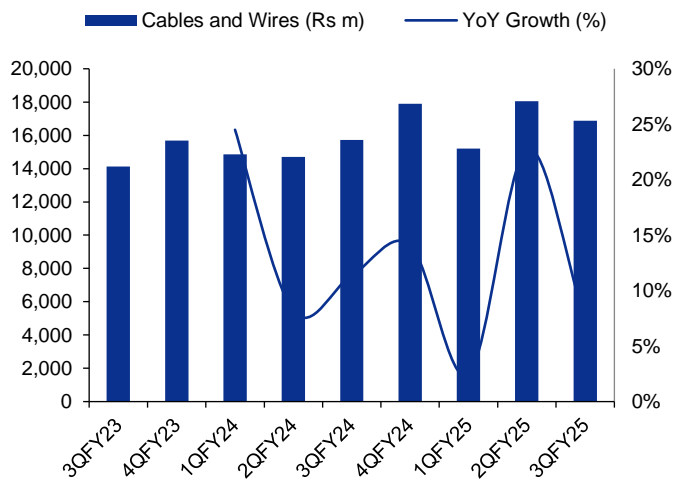
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 7: Quarterly PAT trend



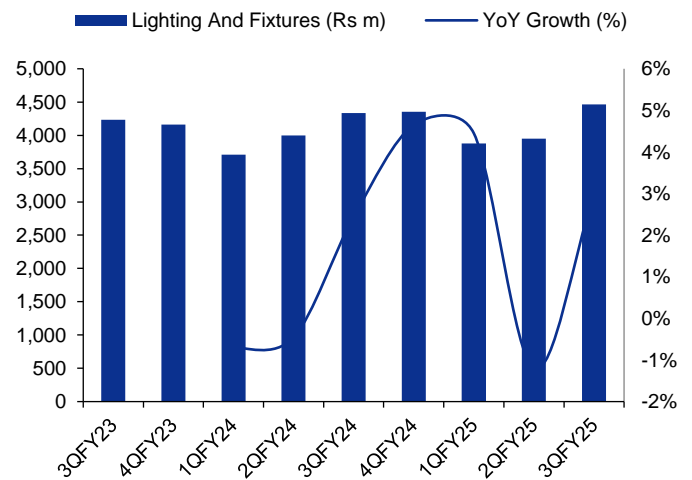
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: C&W segment's revenue trend



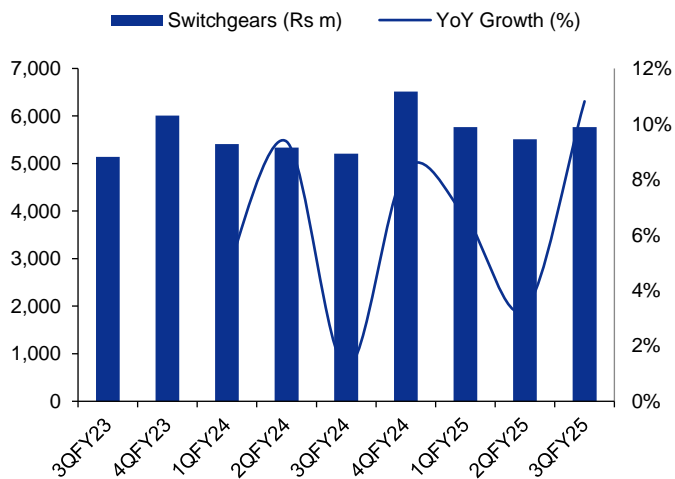
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 9: Lighting segment's revenue trend



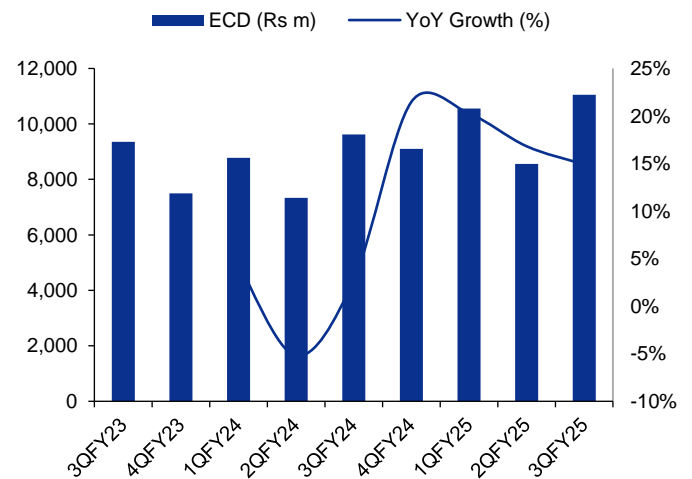
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 10: Switchgear segment's revenue trend



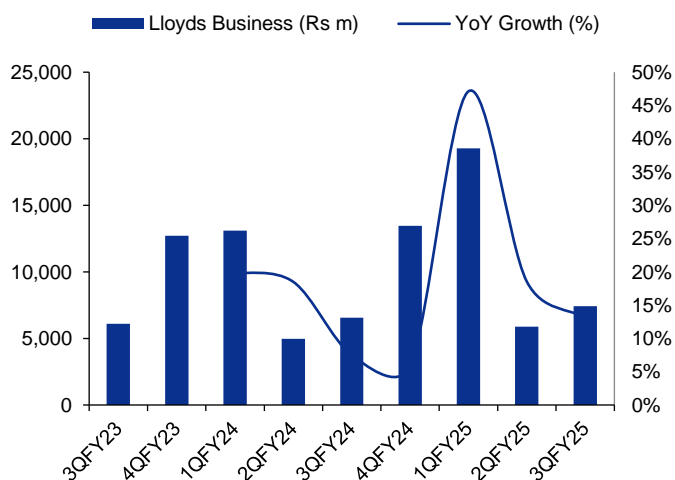
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 11: ECD segment's revenue trend



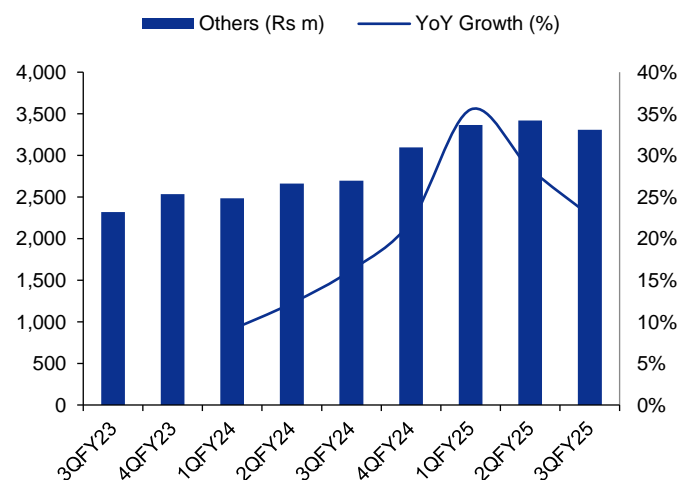
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 12: Lloyd's business revenue trend



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 13: Others segment's revenue trend



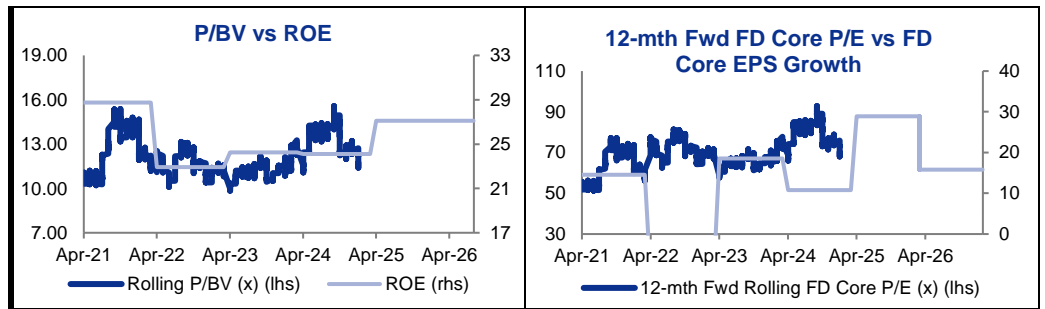
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 14: Earnings revision summary

Rs m	New Estimates			Old Estimates			Change (%)		
	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F
Earnings revision									
Revenue	2,16,620	2,48,592	2,83,113	2,19,680	2,53,730	2,91,050	-1.4%	-2.0%	-2.7%
EBITDA	20,542	26,825	30,675	22,159	29,443	33,269	-7.3%	-8.9%	-7.8%
Adj. PAT	14,073	18,140	20,998	15,705	20,451	23,409	-10.4%	-11.3%	-10.3%
EBITDA margin (%)	9.5%	10.8%	10.8%	10.1%	11.6%	11.4%	-60bp	-81bp	-59bp

SOURCE: COMPANY REPORTS, INCRED RESEARCH

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Net Revenues	169,107	185,900	216,620	248,592	283,113
Gross Profit	52,053	60,213	71,861	82,468	93,920
Operating EBITDA	15,991	18,426	20,542	26,825	30,675
Depreciation And Amortisation	(2,962)	(3,385)	(4,053)	(4,595)	(5,005)
Operating EBIT	13,030	15,041	16,490	22,229	25,670
Financial Income/(Expense)	896	1,392	1,931	1,597	2,005
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	545	641	654	686	700
Profit Before Tax (pre-EI)	14,471	17,074	19,074	24,513	28,376
Exceptional Items					
Pre-tax Profit	14,471	17,074	19,074	24,513	28,376
Taxation	(3,753)	(4,366)	(5,001)	(6,373)	(7,378)
Exceptional Income - post-tax					
Profit After Tax	10,717	12,708	14,073	18,140	20,998
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	10,717	12,708	14,073	18,140	20,998
Recurring Net Profit	10,717	12,708	14,073	18,140	20,998
Fully Diluted Recurring Net Profit	10,717	12,708	14,073	18,140	20,998

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
EBITDA	15,991	18,426	20,542	26,825	30,675
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(6,964)	4,272	(1,864)	(1,983)	(1,419)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	1,439	2,144	2,584	2,268	2,712
Net Interest (Paid)/Received	(898)	(1,393)	(1,931)	(1,597)	(2,005)
Tax Paid	(3,919)	(3,919)	(5,001)	(6,373)	(7,378)
Cashflow From Operations	5,649	19,529	14,331	19,140	22,585
Capex	(5,878)	(7,623)	(8,687)	(5,934)	(6,058)
Disposals Of FAs/subsidiaries	23				
Acq. Of Subsidiaries/investments	5,004	(10,026)			
Other Investing Cashflow	1,201	1,510	2,309	2,035	2,488
Cash Flow From Investing	350	(16,139)	(6,377)	(3,899)	(3,570)
Debt Raised/(repaid)	(4,113)	(300)			
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(4,703)	(4,701)	(4,700)	(5,014)	(5,640)
Preferred Dividends					
Other Financing Cashflow	(253)	(334)	(379)	(438)	(482)
Cash Flow From Financing	(9,069)	(5,336)	(5,079)	(5,452)	(6,122)
Total Cash Generated	(3,070)	(1,945)	2,874	9,789	12,892
Free Cashflow To Equity	1,887	3,090	7,953	15,241	19,015
Free Cashflow To Firm	5,665	2,935	7,575	14,803	18,533

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Cash And Equivalents	20,510	30,382	33,503	43,308	56,194
Total Debtors	9,739	11,650	13,575	16,346	19,391
Inventories	37,086	34,086	41,544	49,037	56,623
Total Other Current Assets	3,221	2,857	3,561	4,086	4,654
Total Current Assets	70,556	78,974	92,182	112,777	136,861
Fixed Assets	33,102	36,774	40,130	44,719	45,772
Total Investments	200	200	200	200	200
Intangible Assets	3,105	3,105	3,105	3,105	3,105
Total Other Non-Current Assets	4,611	5,209	6,240	2,990	2,990
Total Non-current Assets	41,018	45,288	49,675	51,014	52,067
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	26,433	26,919	32,048	37,459	43,436
Other Current Liabilities	11,562	15,305	18,398	21,794	25,596
Total Current Liabilities	37,994	42,224	50,446	59,253	69,033
Total Long-term Debt					
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	3,711	3,996	3,996	3,996	3,996
Total Non-current Liabilities	3,711	3,996	3,996	3,996	3,996
Total Provisions	3,615	3,575	3,575	3,575	3,575
Total Liabilities	45,321	49,795	58,017	66,824	76,604
Shareholders Equity	66,255	74,468	83,841	96,967	112,324
Minority Interests					
Total Equity	66,255	74,468	83,841	96,967	112,324

Key Ratios					
	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue Growth	21.3%	9.9%	16.5%	14.8%	13.9%
Operating EBITDA Growth	(9.2%)	15.2%	11.5%	30.6%	14.4%
Operating EBITDA Margin	9.5%	9.9%	9.5%	10.8%	10.8%
Net Cash Per Share (Rs)	32.74	48.49	53.46	69.11	89.67
BVPS (Rs)	105.77	118.85	133.78	154.73	179.24
Gross Interest Cover	38.76	32.91	43.53	50.72	53.25
Effective Tax Rate	25.9%	25.6%	26.2%	26.0%	26.0%
Net Dividend Payout Ratio	32.5%	27.5%	24.6%	20.5%	19.9%
Accounts Receivables Days	18.78	21.00	21.25	21.97	23.04
Inventory Days	104.10	103.34	95.35	99.51	101.92
Accounts Payables Days	78.32	77.47	74.34	76.36	78.03
ROIC (%)	31.9%	28.4%	32.0%	38.5%	42.1%
ROCE (%)	20.8%	22.8%	22.7%	25.8%	26.0%
Return On Average Assets	12.5%	13.3%	12.9%	15.0%	15.0%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

DISCLAIMER

This report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by Incred Research Services Private Ltd. (formerly known as Earnest Innovation Partners Private Limited) (hereinafter referred to as "IRSPL"). IRSPL is registered with SEBI as a Research Analyst vide Registration No. INH000011024. Pursuant to a trademark agreement, IRSPL has adopted "Incred Equities" as its trademark for use in this report.

The term "IRSPL" shall, unless the context otherwise requires, mean IRSPL and its affiliates, subsidiaries and related companies. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject IRSPL and its affiliates/group companies to registration or licensing requirements within such jurisdictions.

This report is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of IRSPL.

The information contained in this report is prepared from data believed to be correct and reliable at the time of issue of this report.

IRSPL is not required to issue regular reports on the subject matter of this report at any frequency and it may cease to do so or change the periodicity of reports at any time. IRSPL is not under any obligation to update this report in the event of a material change to the information contained in this report. IRSPL has not any and will not accept any, obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant; (ii) ensure that the content of this report constitutes all the information a prospective investor may require; (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, IRSPL and its affiliates/group companies (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

Unless otherwise specified, this report is based upon reasonable sources. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research. While every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of IRSPL and its affiliates/group companies to any person to buy or sell any investments.

The opinions expressed are based on information which is believed to be accurate and complete and obtained through reliable public or other non-confidential sources at the time made (information barriers and other arrangements may be established, where necessary, to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations. In reviewing this report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request. The report is not a "prospectus" as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

IRSPL may have issued other reports (based on technical analysis, event specific, short-term views, etc.) that are inconsistent with and reach a different conclusion from the information presented in this report.

Holding of Analysts/Relatives of Analysts, IRSPL and Associates of IRSPL in the covered securities, as on the date of publishing of this report

Research Analyst or his/her relative(s) or InCred Research Services Private Limited or our associate may have any financial interest in the subject company.

Research Analyst or his/her relatives or InCred Research Services Limited or our associates may have actual or beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of the Research Report.

Research Analyst or his/her relative or InCred Research Services Private Limited or our associate entities may have any other material conflict of interest at the time of publication of the Research Report.

In the past 12 months, IRSPL or any of its associates may have:

- a) Received any compensation/other benefits from the subject company,
- b) Managed or co-managed public offering of securities for the subject company,
- c) Received compensation for investment banking or merchant banking or brokerage services from the subject company,
- d) Received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company

We or our associates may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.

Research Analyst may have served as director, officer, or employee in the subject company.

We or our research analyst may engage in market-making activity of the subject company.

Analyst declaration

- The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously in an unbiased manner.
- No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report or based on any specific investment banking transaction.
- The analyst(s) has(have) not had any serious disciplinary action taken against him/her(them).
- The analyst, strategist, or economist does not have any material conflict of interest at the time of publication of this report.
- The analyst(s) has(have) received compensation based upon various factors, including quality, accuracy and value of research, overall firm performance, client feedback and competitive factors.

IRSPL and/or its affiliates and/or its Directors/employees may own or have positions in securities of the company(ies) covered in this report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities.

IRSPL and/or its affiliates and/or its Directors/employees may do and seek to do business with the company(ies) covered in this research report and may from time to time (a) buy/sell the securities covered in this report, from time to time and/or (b) act as market maker or have assumed an underwriting commitment in securities of such company(ies), and/or (c) may sell them to or buy them from customers on a principal basis and/or (d) may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) and/or (e) solicit such investment, advisory or other services from any entity mentioned in this report and/or (f) act as a lender/borrower to such company and may earn brokerage or other compensation. However, Analysts are forbidden to acquire, on their own account or hold securities (physical or uncertificated, including derivatives) of companies in respect of which they are compiling and producing financial recommendations or in the result of which they play a key part.

InCred Research Services Private Limited

Research Analyst SEBI Registration Number: INH000011024

Registered Office: Unit No 1203, 12th Floor, B Wing, The Capital, C-70, G Block, BKC, Bandra (E), Mumbai – 400051

Phone: +91-22-6844-6100

Corporate Office: 05th floor, Laxmi Towers, Plot No. C-25, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400051

Phone: +91-22-4161-1500

Name of the Compliance Officer: Mr. Yogesh Kadam

Email ID: compliance@incredresearch.com, Phone No: +91-22-41611539

For any queries or grievances, you may contact the Grievance Officer.

Name of the Grievance Officer: Mr. Rajarshi Maitra

Phone no. +91-022-41611546

Email ID: rajarshi.maitra@incredresearch.com

CIN: U74999MH2016PTC287535

Recommendation Framework**Stock Ratings**

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.