



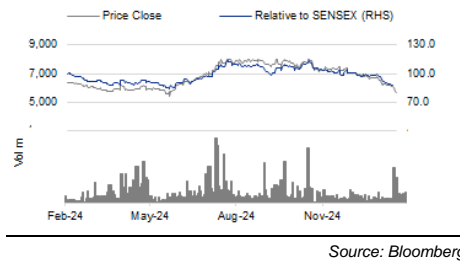
India

ADD (previously REDUCE)

Consensus ratings*: Buy 6 Hold 3 Sell 2

Current price:	Rs5,395
Target price:	Rs6,727
Previous target:	Rs4,971
Up/downside:	24.7%
InCred Research / Consensus:	-10.2%
Reuters:	ATLP.NS
Bloomberg:	ATLP IN
Market cap:	US\$1,827m Rs158,835m
Average daily turnover:	US\$5.2m Rs450.9m
Current shares o/s:	29.6m
Free float:	54.8%

*Source: Bloomberg



Price performance	1M	3M	12M
Absolute (%)	(19.4)	(24.8)	(15.3)
Relative (%)	(18.7)	(23.5)	(19.3)

Major shareholders	% held
Promoter & Promoter Group	45.2
DSP Investment Managers Pvt Ltd	4.9
LIC India	5.4

Atul Ltd

Negatives priced in; upgrade to ADD

- Atul is expected to post 17% EPA CAGR over FY25-27F supported by the recovery in agrochemicals, epoxy resins, and favourable raw material costs.
- The company's revenue is forecasted to grow at a 15% CAGR over FY25F-27F, with a potential surprise on the margin front.
- The stock is undervalued relatively & trading at historical average multiple on P/BV & P/E basis. We expect it to rerate as growth returns. Upgrade to ADD.

Underperformance led by EPS decline, which is over, in our view

Like most chemical companies, Atul has significantly underperformed the index over the past three years due to overly bullish earnings estimates and repeated disappointments. While consensus estimates remain aggressive, the 35% correction from its recent peak suggests the market has already priced in these concerns. We expect a recovery in earnings, although not to the extent of consensus estimates. Our projections indicate an EPS of Rs162 for FY25F, growing to Rs224 by FY27F.

Recovery in agrochemicals is the key tailwind

Multiple global agrochemical companies indicate that channel destocking is largely over, and we may be entering the early phase of a restocking cycle. At the same time, we are witnessing an uptick in epoxy resin prices and export volume from India, which could serve as additional tailwinds for the company. Furthermore, falling epichlorohydrin or ECH prices (due to oversupply) and a potential decline in caustic soda prices are likely to provide cost benefits. While we do not expect margins to recover to their previous cyclical peaks, three years of sub-par growth may be compensated over the next three years. This suggests that EPS growth could return to or even exceed FY20 levels.

Growth to come in epoxy resins as well as dyes

The recovery in the agrochemicals market, especially after channel destocking, is a major catalyst for growth. The rise in epoxy resin prices, increased exports from India, and favourable raw material cost reductions (due to falling ECH and bisphenol A prices) will further boost earnings. Additionally, there are signs of a recovery in the dyes and pigments segment, with rising prices of key chemicals like diamino diphenyl sulfone.

We value the stock at 30x FY27F EPS; upgrade to ADD from REDUCE

Atul's revenue is expected to grow at a 15% CAGR over FY25F-27F, after a period of slower growth. The company's gross margin and EPS are likely to surprise positively due to favourable tailwinds in key segments. The stock is currently undervalued compared to its historical average, making it an attractive investment opportunity. We have set a higher target price of Rs6,727 (Rs4,971 earlier). Downside risk: Supply chain bottlenecks leading to a rise in raw material prices, which pose a risk to our earnings estimates and target price.

Research Analyst(s)

Satish KUMAR
T (91) 22 4161 1562
E satish.kumar@incredresearch.com

Abbas PUNJANI
T (91) 22 4161 1598
E abbas.punjani@incredresearch.com

Financial Summary	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	54,275	47,257	55,763	64,685	73,741
Operating EBITDA (Rsm)	7,749	6,367	9,189	10,989	12,208
Net Profit (Rsm)	5,028	3,144	4,829	6,014	6,655
Core EPS (Rs)	169.4	105.9	162.7	202.6	224.2
Core EPS Growth	(15.8%)	(37.5%)	53.6%	24.5%	10.7%
FD Core P/E (x)	31.85	50.93	33.16	26.63	24.06
DPS (Rs)	20.3	12.7	19.5	24.3	26.9
Dividend Yield	0.38%	0.24%	0.36%	0.45%	0.50%
EV/EBITDA (x)	19.58	23.29	16.06	13.25	11.70
P/FCFE (x)	93.88	94.72	109.03	52.34	41.17
Net Gearing	(4.1%)	(5.2%)	(6.0%)	(8.7%)	(12.2%)
P/BV (x)	3.43	3.13	2.90	2.65	2.42
ROE	11.1%	6.4%	9.1%	10.4%	10.5%
% Change In Core EPS Estimates			(0.37%)		
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Negatives priced in; upgrade to ADD

Like most chemical companies, Atul has significantly underperformed the index over the past three years due to overly bullish earnings estimates and repeated disappointments. While consensus estimates remain aggressive, the 40% correction from its recent peak suggests the market has already priced in these concerns. We expect an earnings recovery, although not to the extent of consensus estimates. Our projections indicate an EPS of Rs162 for FY25F, growing to Rs225 over the next few years. We value the stock at 30x FY27F EPS, arriving at a higher target price of Rs6,727.

Agrochemicals recovery is the key tailwind

Multiple global agrochemical companies indicate that channel destocking is largely over, and we may be entering the early phase of a restocking cycle. At the same time, we are witnessing an uptick in epoxy resin prices and export volume from India, which could serve as additional tailwinds for the company. Furthermore, falling ECH prices (due to oversupply) and a potential decline in caustic soda prices are likely to provide cost benefits. While we do not expect margins to recover to their previous cyclical peaks, three years of sub-par growth may be compensated over the next three years. This suggests that EPS growth could return to or even exceed FY20 levels.

Excess capacity in China and the fall in the yuan are driving down export prices of key raw materials such as epichlorohydrin (ECH) and bisphenol A

It is no secret that China has huge overcapacity in most bulk chemicals and ECH as well as bisphenol A are no different. The rise in Indian imports is combined with the fall in import prices of ECH and bisphenol A.

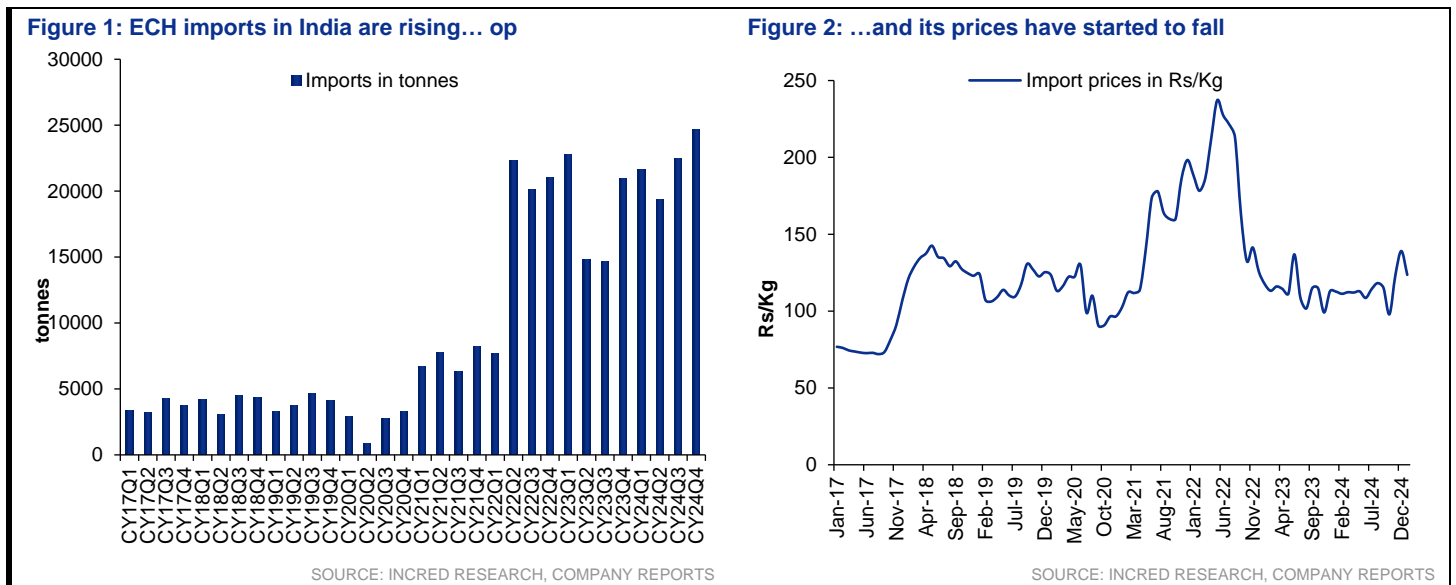


Figure 2: ...and its prices have started to fall

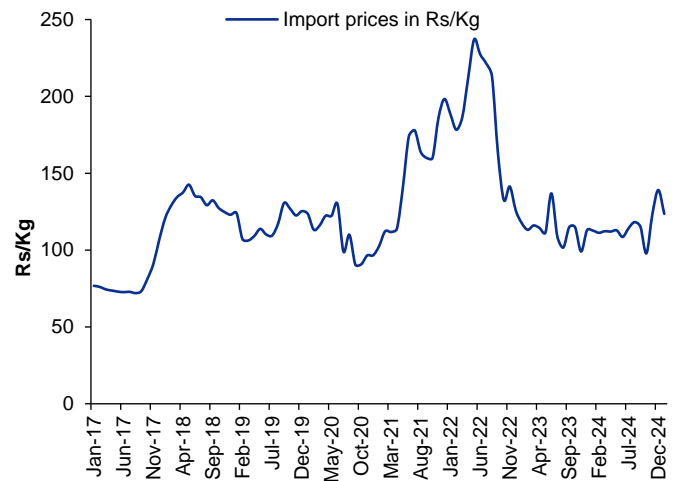
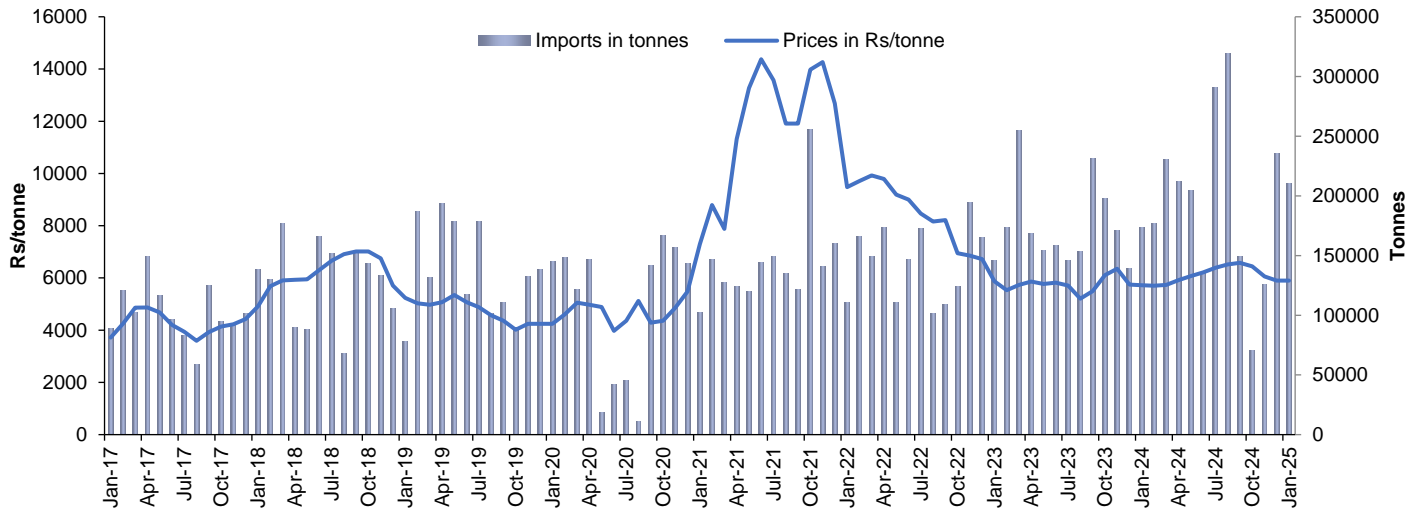


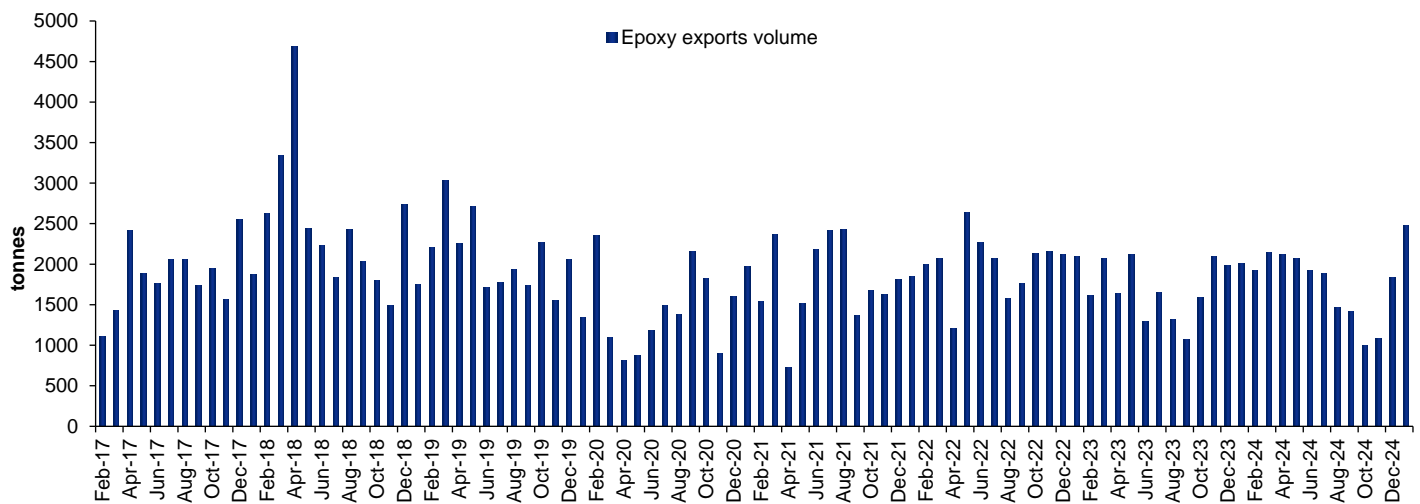
Figure 3: Bisphenol A imports are rising and its prices are stable; however, it's only a matter of time before they start declining



SOURCE: INCRED RESEARCH, COMPANY REPORTS

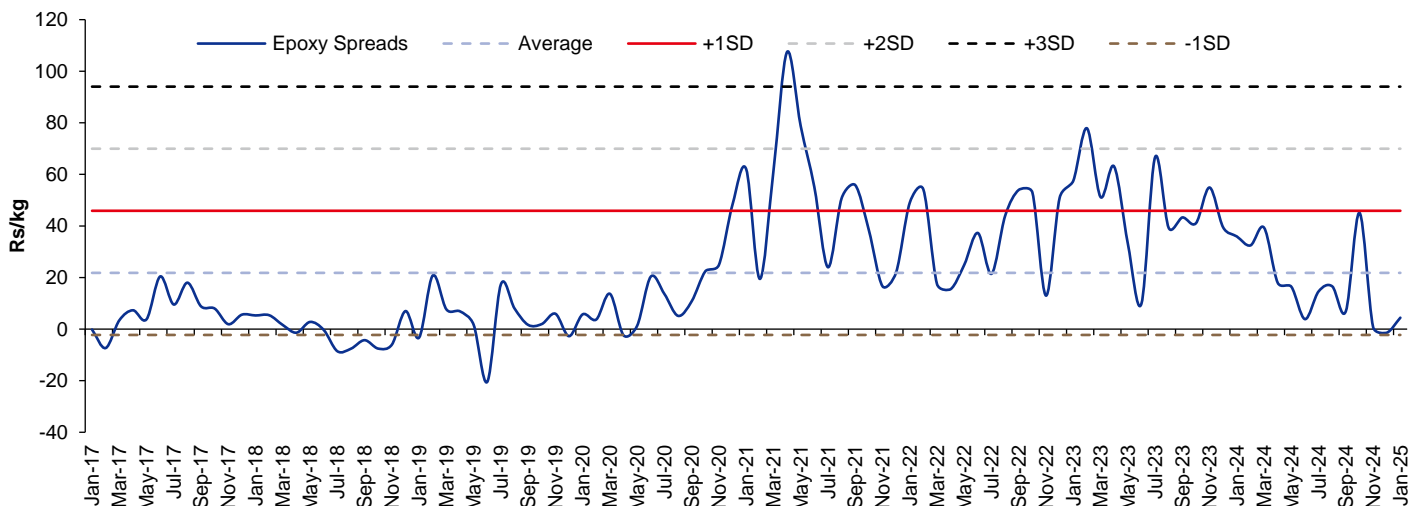
At the same time, revival in epoxy demand appears to be in place, which is leading to higher exports and higher spreads over raw material ➤

Figure 4: Epoxy exports appear to be recovering



SOURCE: INCRED RESEARCH, COMPANY REPORTS

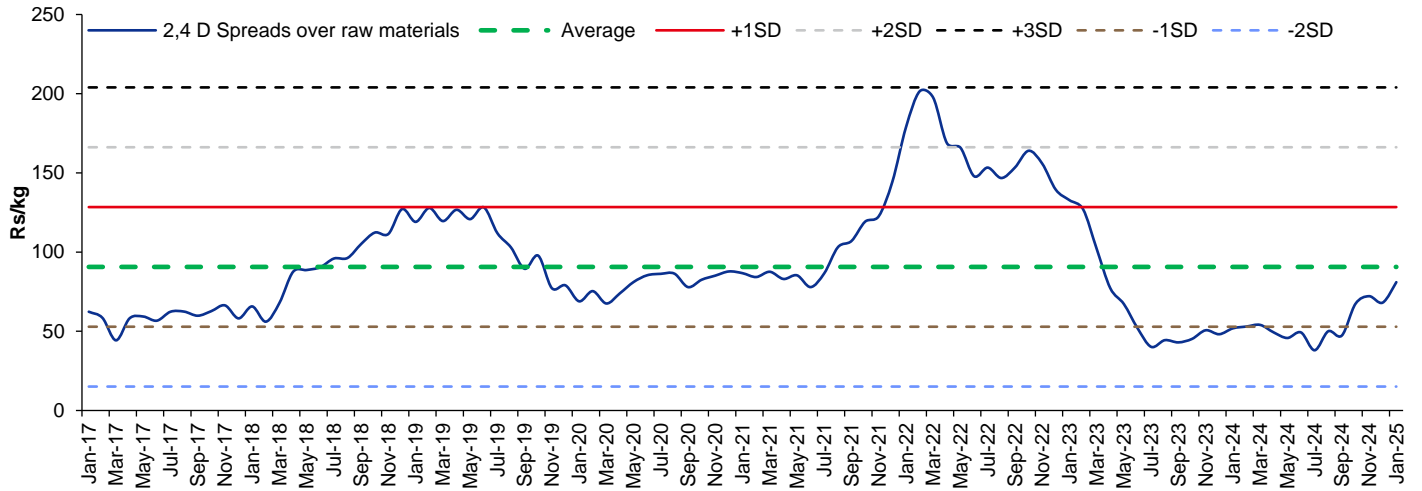
Figure 5: We have already seen the worst spreads in 3QFY25, but they are on the path of recovery



SOURCE: INCRED RESEARCH, COMPANY REPORTS

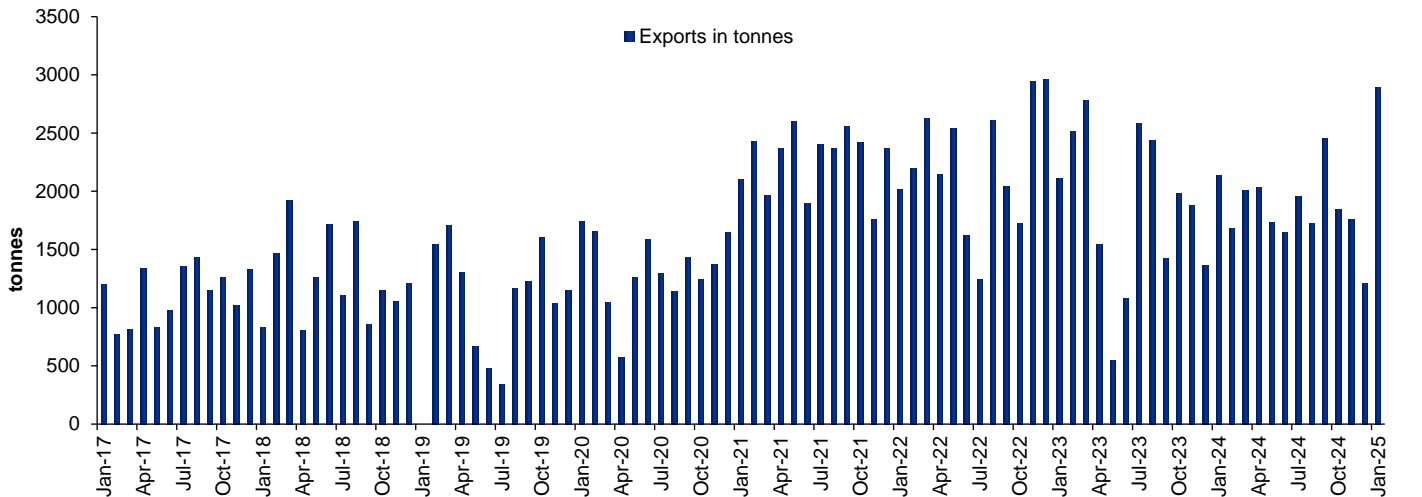
Cyclical stocking of 2,4-D is expected to drive exports higher, and its prices are also showing signs of a recovery ➤

Figure 6: 2,4 D spreads over raw material are rising...



SOURCE: INCRED RESEARCH, COMPANY REPORTS

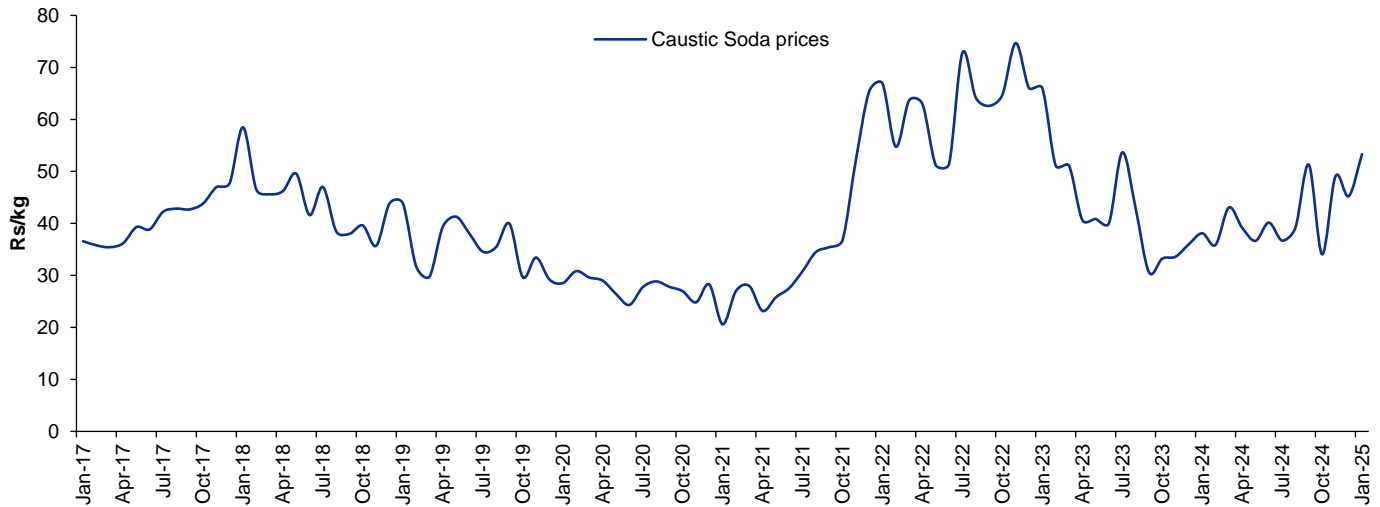
Figure 7: ...and its export volume is also rising



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Remember 2,4 D spreads are rising despite the rise in caustic soda prices ➤

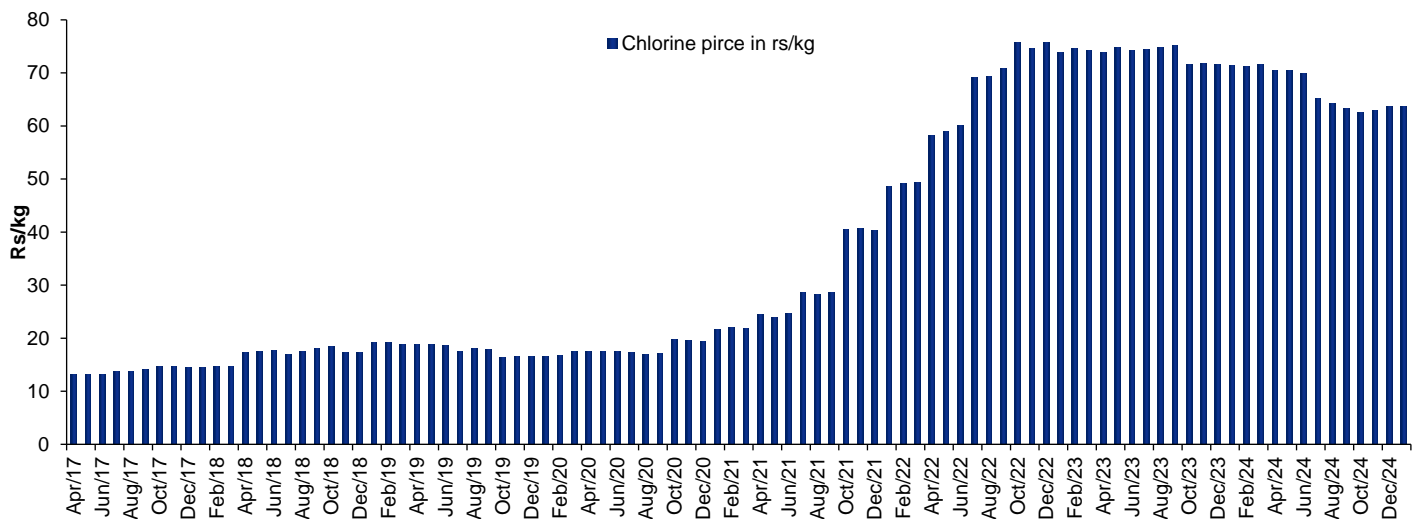
Figure 8: 2,4 D spreads are rising despite the rise in caustic soda prices



SOURCE: INCRED RESEARCH, COMPANY REPORTS

However, please note that chlorine prices are falling, indicating the scarcity of chlorine is going away; this, in turn, means that more caustic soda is being produced and hence, a fall in caustic soda prices is imminent ➤

Figure 9: Falling chlorine prices indicate that chlorine demand has returned, leading to increased caustic soda production; remember that chlorine is a byproduct of caustic soda production and must be utilized in other chemical processes; if chlorine demand declines, caustic soda production needs to be curtailed, resulting in higher prices for both chlorine and caustic soda



SOURCE: INCRED RESEARCH, COMPANY REPORTS

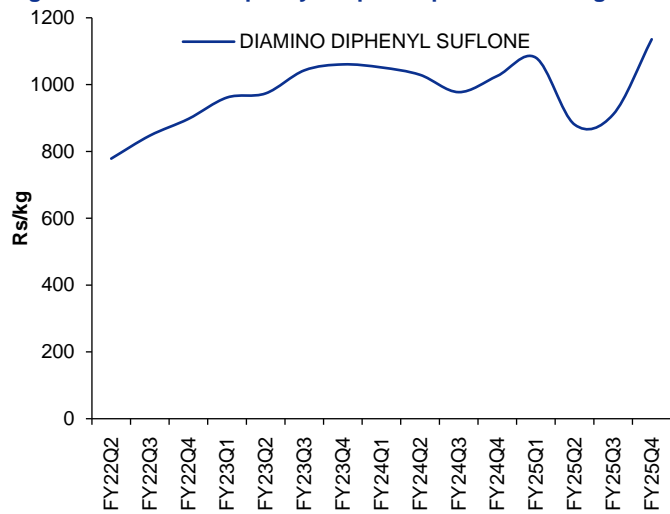
Dyes and pigments may also be on the verge of a recovery ➤

Diamino diphenyl sulfone (Dapsone, DDS) price recovery indicates that a recovery in pigment prices is imminent.

- 1. Pharmaceutical use - Leprosy Treatment:** It is primarily used as an antibiotic for treating leprosy (Hansen's disease) as a part of multi-drug therapy (MDT).
Dermatology: Used to treat dermatitis herpetiformis, a skin condition associated with celiac disease. Pneumocystis Pneumonia (PCP): Occasionally used as a prophylactic in HIV/AIDS patients.
- 2. Polymer industry high-performance polymers:** DDS is used as a curing agent in the production of epoxy resins and polyimides for aerospace, electronics, and high-temperature applications.
- 3. Electronics industry -** Used in circuit boards and semiconductors due to its role in producing heat-resistant polymers.

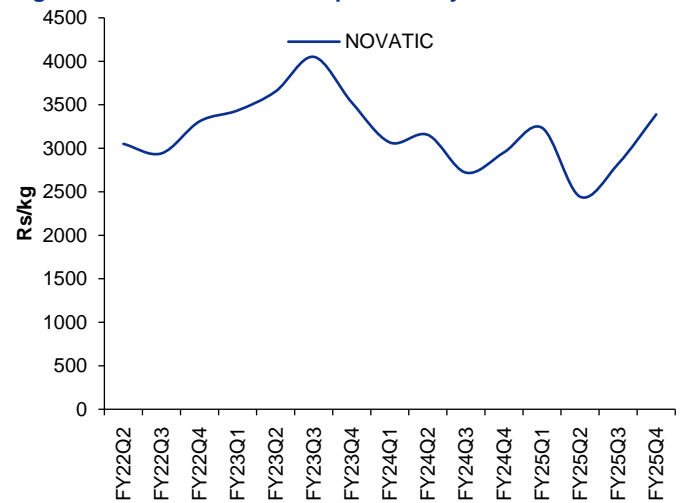
4. Dye & pigment industry - Serves as an intermediate in dye manufacturing.

Figure 10: Diamino di phenyl sulphone prices are rising...



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 11: ... and so does the prices of dyes like Novatic



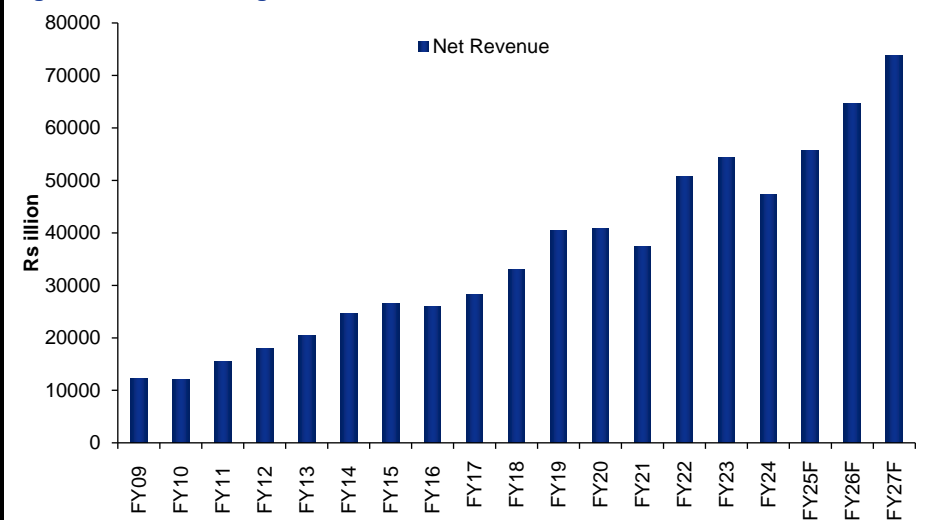
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Earnings and valuation

Revenue growth to return to 15% CAGR over FY25F-27F ➔

Over the long run, Atul's revenue is expected to grow at a 10% CAGR. However, lower global demand from agrochemical, textile, and industrial adhesive makers led to a revenue growth of only 7% over FY19-25F. We expect the reversion to mean level to start from FY26F and the revenue growth trajectory to back to 10% level by FY27F.

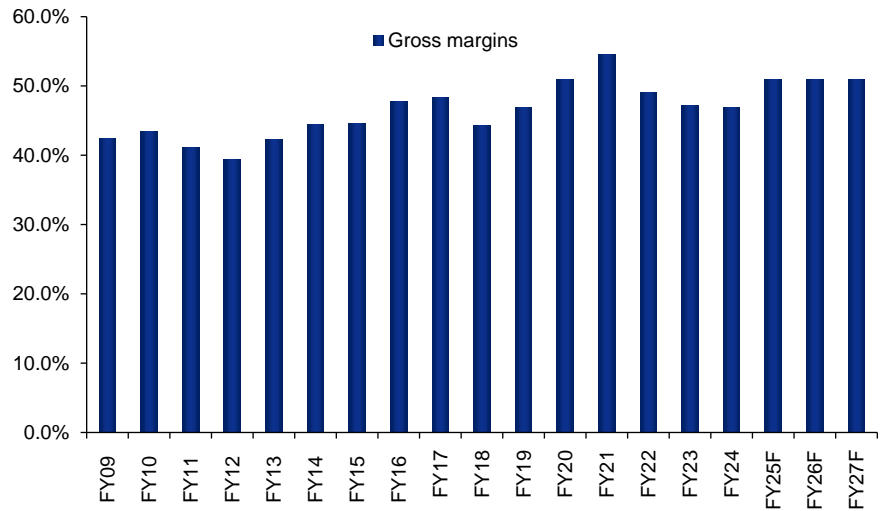
Figure 12: Revenue to grow at a 15% CAGR over FY25F-27F



SOURCE: INCRED RESEARCH, COMPANY REPORTS

While we estimate the gross margin to be around 51%; however, given the tailwinds, it can surprise positively ➤

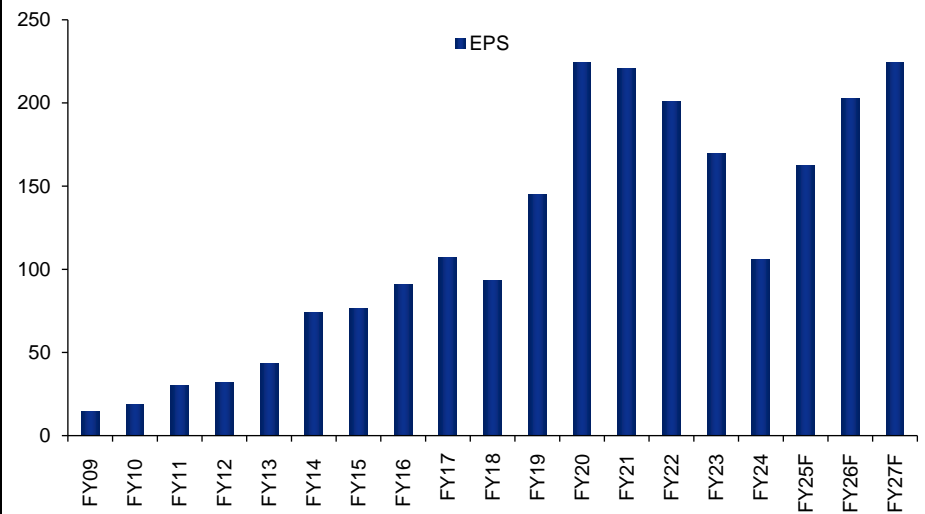
Figure 13: Gross margin can surprise positively



SOURCE: INCRED RESEARCH, COMPANY REPORTS

EPS is likely to grow at an 18% CAGR over FY25F-27F ➤

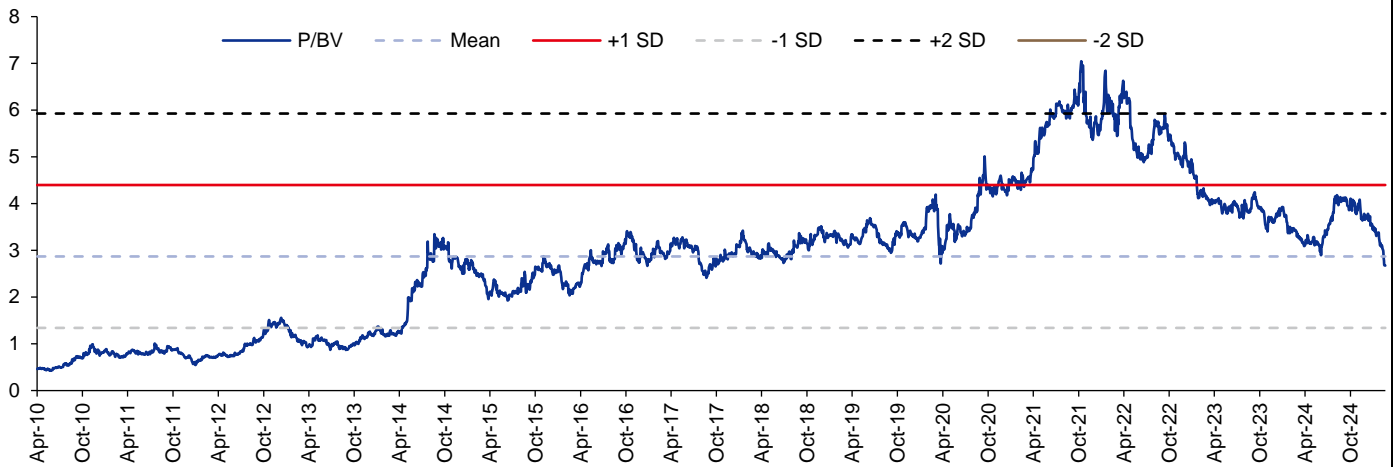
Figure 14: Atul is likely to report an EPS of Rs224 in FY27F



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Atul is relatively cheap on all valuation parameters ➤

Figure 15: On P/BV basis, Atul is trading below its historical average



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 16: Atul is trading near its historical mean P/E valuation; the recent derating was because of lack of growth



SOURCE: INCRED RESEARCH, COMPANY REPORTS

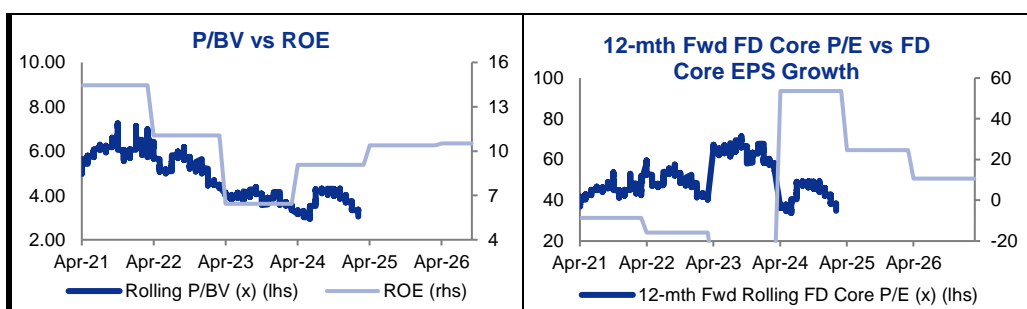
We value the stock at 30x FY27F EPS to arrive at a higher target price of Rs6,727 ➤

Figure 17: We value the stock at 30x FY27F EPS to arrive at higher target price of Rs 6,727

Target price calculation	
FY26F EPS (Rs)	202.6
FY27F EPS (Rs)	224.2
P/E (x)	30.0
One-year forward EPS (Rs)	224.2
One-year forward target price (Rs)	6,727

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Net Revenues	54,275	47,257	55,763	64,685	73,741
Gross Profit	25,635	22,151	28,439	32,989	37,608
Operating EBITDA	7,749	6,367	9,189	10,989	12,208
Depreciation And Amortisation	(1,978)	(2,429)	(3,075)	(3,436)	(3,798)
Operating EBIT	5,770	3,938	6,114	7,553	8,410
Financial Income/(Expense)	(79)	(111)	(240)	(95)	(95)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	1,149	582	582	582	582
Profit Before Tax (pre-EI)	6,840	4,409	6,456	8,040	8,897
Exceptional Items					
Pre-tax Profit	6,840	4,409	6,456	8,040	8,897
Taxation	(1,812)	(1,265)	(1,627)	(2,026)	(2,242)
Exceptional Income - post-tax					
Profit After Tax	5,028	3,144	4,829	6,014	6,655
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	5,028	3,144	4,829	6,014	6,655
Recurring Net Profit	5,028	3,144	4,829	6,014	6,655
Fully Diluted Recurring Net Profit	5,028	3,144	4,829	6,014	6,655

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
EBITDA	7,749	6,367	9,189	10,989	12,208
Cash Flow from Invt. & Assoc.					
Change In Working Capital	271	1,110	(1,739)	(1,824)	(1,851)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(205)	(408)			
Other Operating Cashflow	1,266	790	693	822	677
Net Interest (Paid)/Received	(79)	(111)	(240)	(95)	(95)
Tax Paid	(1,934)	(1,073)	(1,627)	(2,026)	(2,242)
Cashflow From Operations	7,067	6,675	6,276	7,866	8,697
Capex	(8,747)	(5,039)	(4,808)	(4,808)	(4,808)
Disposals Of FAs/subsidiaries	8	4			
Acq. Of Subsidiaries/investments	3,850	(1,922)			
Other Investing Cashflow	196	125			
Cash Flow From Investing	(4,694)	(6,832)	(4,808)	(4,808)	(4,808)
Debt Raised/(repaid)	(668)	1,848			
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(961)	(738)	(695)	(866)	(958)
Preferred Dividends					
Other Financing Cashflow	(946)	(735)	(111)	(240)	(95)
Cash Flow From Financing	(2,575)	375	(806)	(1,106)	(1,053)
Total Cash Generated	(202)	218	662	1,953	2,836
Free Cashflow To Equity	1,706	1,691	1,469	3,059	3,889
Free Cashflow To Firm	2,452	(47)	1,709	3,154	3,984

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	2,416	4,987	5,649	7,602	10,438
Total Debtors	8,446	9,270	10,939	12,689	14,466
Inventories	7,894	6,183	7,295	8,463	9,648
Total Other Current Assets	2,154	2,316	2,316	2,316	2,316
Total Current Assets	20,910	22,756	26,200	31,071	36,868
Fixed Assets	27,702	30,406	32,138	33,509	34,519
Total Investments	6,946	9,689	9,689	9,689	9,689
Intangible Assets	291	291	291	291	291
Total Other Non-Current Assets	1,831	1,621	1,621	1,621	1,621
Total Non-current Assets	36,770	42,007	43,739	45,110	46,120
Short-term Debt	183	226	226	226	226
Current Portion of Long-Term Debt					
Total Creditors	5,385	5,793	6,836	7,930	9,040
Other Current Liabilities	2,835	2,866	2,866	2,866	2,866
Total Current Liabilities	8,402	8,884	9,927	11,021	12,131
Total Long-term Debt	287	2,093	2,093	2,093	2,093
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	133	99	99	99	99
Total Non-current Liabilities	420	2,192	2,192	2,192	2,192
Total Provisions	1,663	2,053	2,053	2,053	2,053
Total Liabilities	10,486	13,129	14,172	15,265	16,376
Shareholders Equity	46,714	51,143	55,277	60,425	66,122
Minority Interests	480	491	491	491	491
Total Equity	47,194	51,634	55,768	60,915	66,612

Key Ratios					
	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue Growth	6.8%	(12.9%)	18.0%	16.0%	14.0%
Operating EBITDA Growth	(15.0%)	(17.8%)	44.3%	19.6%	11.1%
Operating EBITDA Margin	14.3%	13.5%	16.5%	17.0%	16.6%
Net Cash Per Share (Rs)	65.57	89.91	112.23	178.03	273.58
BVPS (Rs)	1,573.92	1,723.16	1,862.44	2,035.88	2,227.82
Gross Interest Cover	73.04	35.54	25.48	79.51	88.53
Effective Tax Rate	26.5%	28.7%	25.2%	25.2%	25.2%
Net Dividend Payout Ratio	12.0%	12.0%	12.0%	12.0%	12.0%
Accounts Receivables Days	61.66	68.42	66.14	66.66	67.21
Inventory Days	105.36	102.32	90.02	90.73	91.47
Accounts Payables Days	74.76	81.26	84.35	85.02	85.71
ROIC (%)	12.6%	7.0%	11.0%	12.6%	13.1%
ROCE (%)	12.0%	7.5%	10.6%	12.1%	12.4%
Return On Average Assets	8.9%	5.3%	7.4%	8.3%	8.5%

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. INH00011024. 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.

Registration granted by SEBI, membership of a SEBI recognized supervisory body (if any) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

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.