

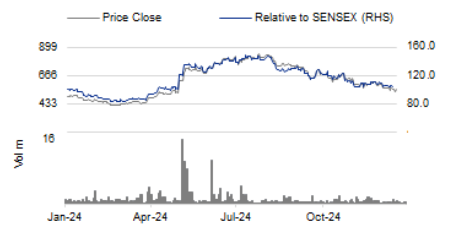
India

ADD (no change)

Consensus ratings*: Buy 22 Hold 6 Sell 1	
Current price:	Rs556
Target price:	Rs660
Previous target:	Rs785
Up/downside:	18.7%
InCred Research / Consensus:	-14.8%
Reuters:	EMAM.NS
Bloomberg:	HMN IN
Market cap:	US\$2,819m Rs243,931m
Average daily turnover:	US\$5.5m Rs475.0m
Current shares o/s:	444.5m
Free float:	45.2%
*Source: Bloomberg	

Key changes in this note

- Lower the target price to Rs660 from Rs785.
- Lower FY25F/26F EPS by 2% each.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(5.9)	(14.5)	11.2
Relative (%)	(2.4)	(9.5)	5.4

Major shareholders	% held
Promoter	54.8
DSP Investment Managers	3.6
Kotak AMC	3.3

Emami Ltd

Healthy delivery in a tough environment

- 3Q standalone sales rose by 8.1% yoy, with a 6% volume growth led by 9% growth in the core portfolio. Key brands in healthcare & winter care fared well.
- Rural markets continued to drive growth, while urban markets remained weak. Management’s guidance of double-digit EBITDA growth in FY25F remains.
- Corrective actions should support growth in FY26F. Retain our ADD rating on Emami with a lower target price of Rs660 (30x Sep 2026F EPS).

Healthy volume delivery; rural markets still outpace urban markets

Domestic sales/volume of Emami grew by 8.1%/6% yoy while international business declined by 3%/2% in INR/constant currency terms, respectively, in 3QFY25. Consolidated sales grew by 5.3% yoy. Growth was driven by the healthcare range, which grew 13% led by Zanducare (own platform), cough syrups, health juices & the immunity range. Boroplus range grew by 20%, led by strong growth in antiseptic creams and lotions, on a low base. The Navratna and Dermicool range clocked a 3% yoy growth. The Demicool brand has been extended into soaps and shower gels so far during the year. The pain management segment grew by 3%. The male grooming range and Kesh King brand have been clocking sales decline over the last seven quarters, falling 4%/10% yoy in 3QFY25. Rural markets (c.54% sales contribution) continued to outpace demand from urban markets, which have remained subdued over the last few quarters. Organized trade channels (28.6% of sales, up 160bp yoy) have performed well and continue to grow faster than other channels.

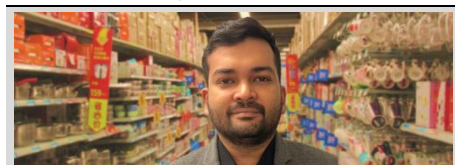
Initiatives underway to revive growth in laggards

Emami rebranded its skincare brand ‘Fair & Handsome’ (c.10% of domestic sales) to ‘Smart & Handsome’ in Jan 2025, as it shifts its focus from skincare to a broader market within the mass male grooming category, where it targets Rs10bn in revenue (market size of Rs180bn) over the next three-to-four years. New advertising campaigns have been launched, and old channel inventory has been replaced. Kesh King has been reeling with declining sales due to subdued demand for the value-added hair oils category and a new GTM strategy is expected to be finalized and executed by 1HFY26F. Emami is not expected to be aggressive in taking price hikes in the near term; however, management’s guidance entailed sustaining its thrust on advertisement spending (c.18% of FY25F sales targeted) for brand relaunches and supporting its core offerings, and will prioritize driving growth over protecting margins in the medium term to drive market share gains.

Retain ADD rating with a lower target price of Rs660

Emami’s ability to drive a healthy growth in the winter range, focus on portfolio expansion initiatives and corrective steps underway for portfolio laggards should aid continued growth over the medium term. Execution and traction of these initiatives will be a key monitorable. We cut our FY26F/27F EPS by 2% each and maintain our ADD rating on Emami with a lower target price of Rs660 (30x Sep 2026F EPS) from Rs785 earlier. Downside risk: Slowdown in rural demand or lower-than-expected EBITDA margin.

Research Analyst(s)



Rohan KALLE
T (91) 22 4161 1561
E rohan.kalle@incredresearch.com
Nishant BAGRECHA
T (91) 22 4161 1564
E nishant.bagrecha@incredresearch.com
Saurabh SINGH
T (91) 2241611558
E saurabh.singh@incredresearch.com

Financial Summary

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	34,057	35,781	38,330	41,429	45,370
Operating EBITDA (Rsm)	8,628	9,495	10,483	11,441	12,631
Net Profit (Rsm)	6,396	7,235	9,042	9,902	10,984
Core EPS (Rs)	14.5	16.6	18.9	20.9	23.4
Core EPS Growth	(24.0%)	14.6%	13.8%	10.4%	11.9%
FD Core P/E (x)	38.32	33.70	26.82	24.49	22.08
DPS (Rs)	8.0	8.0	11.0	11.0	11.0
Dividend Yield	1.47%	1.44%	1.98%	1.98%	1.98%
EV/EBITDA (x)	28.18	25.41	22.74	20.76	18.78
P/FCFE (x)	45.46	35.74	51.03	58.74	65.92
Net Gearing	(9.0%)	(10.9%)	(15.1%)	(15.3%)	(14.2%)
P/BV (x)	10.64	9.91	8.42	7.16	6.06
ROE	29.2%	30.7%	31.0%	29.1%	27.6%
% Change In Core EPS Estimates			(2.12%)	(2.06%)	(1.87%)
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Healthy delivery in a tough environment

Highlights from the earnings call

Demand and operating environment

- Urban demand remained subdued while rural demand was resilient. The delayed winter season hurt seasonal categories. Despite these headwinds, Emami achieved 8.6% growth in its core domestic business, with a volume growth of 6%. This was a second quarter of high single-digit core business sales growth, despite weakness in male grooming and Kesh King businesses.
- Organized channels continued to strengthen, now at 28.6% of domestic sales (including 4% from CSD), up 160bp yoy. These channels grew at double the pace vs. the overall business.
- For Emami, rural growth has improved over the last few quarters. Rural salience for Emami is 54% of the domestic business.

Segment-wise commentary

- Navratna & Dermicool brands grew 3% each.
- Kesh King declined by 10% yoy. The overall category has been witnessing slower growth. Consultancy firm BCG is working on a strategy (new avenues identified like shampoos, hair care), which should be implemented soon. It should take another two quarters.
- Pain management business grew 3%, led by a 90% growth in the Zanducare platform. MenthoPlus Balm Total variant was launched in South India.
- Healthcare business grew 13% led by Zanducare, cough syrups, health juices and the immunity range. Generics and medico ranges saw good growth. The Pancharishta category's growth was slow (the whole category saw a slowdown), which is being addressed by new campaigns (both digital and offline). Also, evaluating new packaging.
- Boroplus grew by 20% yoy, driven by strong performance of antiseptic creams and lotions. Rural markets were a key driver of this growth. Trade schemes were also revised this year, which aided growth. So far into Jan 2025, Boroplus has performed well.
- Male grooming business declined by 4%. Fair & Handsome (1.5m distribution touchpoints) was rebranded to Smart & Handsome and will now address a broader spectrum of male grooming (vs. only skincare earlier). Base creams and face wash have been largely replaced, in terms of channel inventory. New advertisements have also been rolled out. New launches under other categories are expected soon. A new brand ambassador has been onboarded.
- Helios (The Man Co) and Brillare declined by 13% yoy in 3Q led by high competitive intensity and aggressive discounts offered by peers. Emami was slightly late to launch its products on the quick commerce platform. Overall urban consumption also marginally impacted the performance during the quarter. Things have improved so far into Jan 2025. The Man Co is now seeing MoM improvement in performance. 4QFY25F is expected to be better than 3Q.

Figure 1: Quarterly results summary - consolidated

Y/E Mar (Rs. m)	3QFY24	2QFY25	3QFY25	YoY (%)	QoQ (%)	9MFY24	9MFY25	Gr (%)
Revenue	9,963	8,905	10,495	5.3	17.9	26,869	28,461	5.9
Expenditure	6,815	6,401	7,108	4.3	11.0	19,483	20,405	4.7
Consumption of raw materials	3,112	2,610	3,118	0.2	19.5	8,556	8,658	1.2
as % of sales	31.2	29.3	29.7			31.8	30.4	
Employee costs	1,021	1,129	1,125	10.2	-0.4	3,052	3,364	10.2
as % of sales	10.2	12.7	10.7			11.4	11.8	
Selling & administrative expenses	1,657	1,457	1,757	6.0	20.6	4,720	5,051	7.0
as % of sales	16.6	16.4	16.7			17.6	17.7	
Other expenditure	1,024	1,205	1,108	8.2	-8.1	3,156	3,331	5.6
as % of sales	10.3	13.5	10.6			11.7	11.7	
EBITDA	3,149	2,504	3,387	7.6	35.3	7,386	8,056	9.1
Depreciation	458	447	456	-0.5	2.1	1,379	1,347	-2.3
EBIT	2,691	2,057	2,931	8.9	42.5	6,007	6,709	11.7
Other income	167	216	149	-10.7	-30.8	361	470	30.1
Interest	27	23	22	-19.9	-6.9	71	66	-7.6
PBT	2,831	2,250	3,059	8.1	36.0	6,297	7,113	13.0
Total tax	155	94	224	44.5	137.0	442	596	34.8
PAT (before minority interest)	2,676	2,155	2,835	5.9	31.5	5,854	6,517	11.3
Minority Interest	33	30	45	37.3	52.2	49	75	43.7
Reported PAT	2,643	2,126	2,790	5.6	31.2	5,805	6,442	11.0
Extraordinary items	59	0	0	-100.0	NA	59	0	NA
Adjusted PAT	2,584	2,126	2,790	8.0	31.2	5,746	6,442	12.1
EPS	5.9	4.8	6.3	5.6	31.2	13.1	14.5	11.0

Margins (%)	3QFY24	2QFY25	3QFY25	YoY (bp)	QoQ (bp)	9MFY24	9MFY25	(bp)
Gross margin	68.8	70.7	70.3	150	-40	68.2	69.6	140
EBITDA	31.6	28.1	32.3	70	420	27.5	28.3	80
EBIT	27.0	23.1	27.9	90	480	22.4	23.6	120
EBT	28.4	25.3	29.1	70	390	23.4	25.0	160
PAT	25.9	23.9	26.6	60	270	21.4	22.6	120
Effective tax rate	5.5	4.2	7.3	180	310	7.0	8.4	140

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: Volume growth came in at 6% in 3QFY25

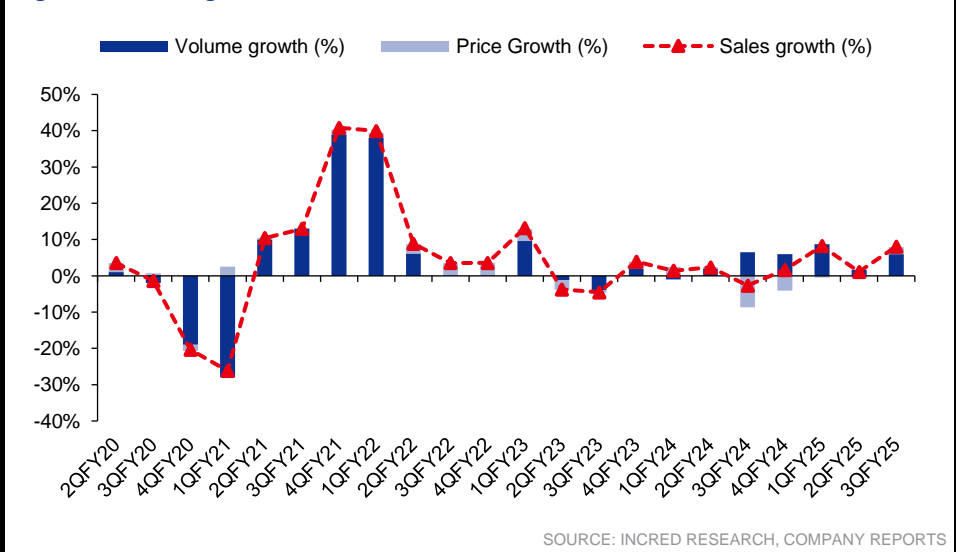
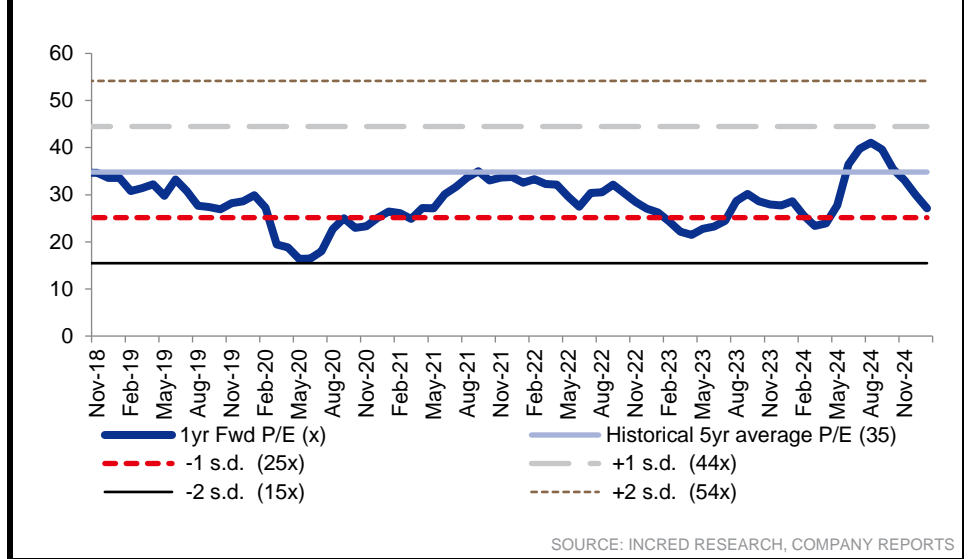


Figure 3: Our revised earnings estimates

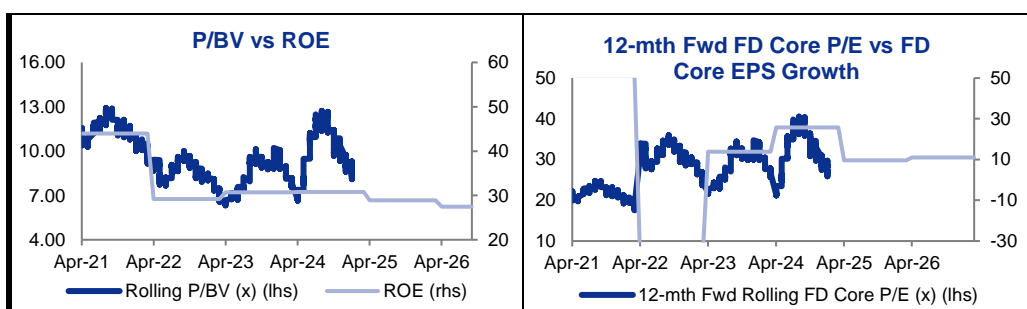
Rs. m	FY25F			FY26F			FY27F		
	Previous	Revised	% Change	Previous	Revised	% Change	Previous	Revised	% Change
Revenue	38,653	38,330	(0.8)	41,818	41,429	(0.9)	45,826	45,370	(1.0)
EBITDA	10,639	10,483	(1.5)	11,603	11,441	(1.4)	12,787	12,631	(1.2)
EBITDA margin (%)	27.5	27.4	-20bp	27.7	27.6	-10bp	27.9	27.8	-10bp
Net profit	9,224	9,042	(2.0)	10,097	9,902	(1.9)	11,182	10,984	(1.8)
EPS (Rs.)	19.2	18.8	(2.0)	21.2	20.8	(1.9)	23.7	23.2	(1.8)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Emami's one-year forward P/E trades close to -1SD



BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Net Revenues	34,057	35,781	38,330	41,429	45,370
Gross Profit	22,044	24,176	26,434	28,904	32,016
Operating EBITDA	8,628	9,495	10,483	11,441	12,631
Depreciation And Amortisation	(2,473)	(1,918)	(1,060)	(1,117)	(1,175)
Operating EBIT	6,155	7,577	9,423	10,324	11,457
Financial Income/(Expense)	615	368	322	367	422
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	6,770	8,004	8,905	9,852	11,039
Exceptional Items					
Pre-tax Profit	6,770	7,945	9,745	10,692	11,879
Taxation	(421)	(667)	(603)	(690)	(795)
Exceptional Income - post-tax					
Profit After Tax	6,349	7,279	9,142	10,002	11,084
Minority Interests	47	(43)	(100)	(100)	(100)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	6,396	7,235	9,042	9,902	10,984
Recurring Net Profit	6,396	7,289	8,254	9,116	10,200
Fully Diluted Recurring Net Profit	6,396	7,289	8,254	9,116	10,200

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
EBITDA	8,628	9,495	10,483	11,441	12,631
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(94)	(373)	(4,081)	(5,651)	(3,240)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	689	468	445	490	546
Net Interest (Paid)/Received	(74)	(100)	(123)	(123)	(123)
Tax Paid	(421)	(667)	(603)	(690)	(795)
Cashflow From Operations	8,728	8,824	6,121	5,468	9,019
Capex	(1,519)	(554)	(1,240)	(1,340)	(1,340)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments	93	(1,482)			(4,000)
Other Investing Cashflow					
Cash Flow From Investing	(1,426)	(2,036)	(1,240)	(1,340)	(5,340)
Debt Raised/(repaid)	(1,910)	34	(129)		
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(3,592)	(3,492)	(4,802)	(4,802)	(4,802)
Preferred Dividends					
Other Financing Cashflow	(1,112)	(3,164)	1,610	1,538	1,614
Cash Flow From Financing	(6,614)	(6,622)	(3,321)	(3,263)	(3,188)
Total Cash Generated	688	166	1,560	865	491
Free Cashflow To Equity	5,392	6,822	4,752	4,128	3,679
Free Cashflow To Firm	7,376	6,888	5,004	4,251	3,802

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	2,981	3,624	5,184	6,050	6,541
Total Debtors	4,146	4,942	6,573	8,474	9,903
Inventories	3,280	3,234	5,869	7,452	9,171
Total Other Current Assets	2,738	2,601	3,584	5,734	6,269
Total Current Assets	13,145	14,401	21,210	27,710	31,884
Fixed Assets	12,517	11,212	10,552	9,935	9,260
Total Investments	1,800	2,805	2,805	2,805	6,805
Intangible Assets					
Total Other Non-Current Assets	3,637	4,379	3,710	2,981	2,177
Total Non-current Assets	17,953	18,396	17,066	15,721	18,242
Short-term Debt	815	785	656	656	656
Current Portion of Long-Term Debt					
Total Creditors	4,072	4,546	4,921	4,905	5,348
Other Current Liabilities	1,301	1,370	1,348	1,348	1,348
Total Current Liabilities	6,188	6,701	6,926	6,909	7,352
Total Long-term Debt	91	154	154	154	154
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
Total Non-current Liabilities	91	154	154	154	154
Total Provisions	1,693	1,365	2,179	2,179	2,179
Total Liabilities	7,971	8,220	9,259	9,243	9,686
Shareholders Equity	23,028	24,466	28,806	33,877	40,029
Minority Interests	100	111	211	311	411
Total Equity	23,128	24,577	29,017	34,188	40,440

Key Ratios					
	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue Growth	6.9%	5.1%	7.1%	8.1%	9.5%
Operating EBITDA Growth	(9.4%)	10.1%	10.4%	9.1%	10.4%
Operating EBITDA Margin	25.3%	26.5%	27.4%	27.6%	27.8%
Net Cash Per Share (Rs)	4.71	6.15	10.02	12.00	13.13
BVPS (Rs)	52.19	56.05	65.99	77.61	91.71
Gross Interest Cover	83.27	76.52	69.76	77.09	86.29
Effective Tax Rate	6.2%	8.4%	6.2%	6.5%	6.7%
Net Dividend Payout Ratio	56.2%	47.9%	58.5%	53.0%	47.3%
Accounts Receivables Days	39.41	46.35	54.83	66.28	73.92
Inventory Days	104.16	102.44	139.65	194.09	227.17
Accounts Payables Days	123.94	135.51	145.24	143.17	140.11
ROIC (%)	29.4%	37.3%	35.7%	33.5%	35.3%
ROCE (%)	26.2%	30.9%	30.9%	31.3%	31.4%
Return On Average Assets	18.6%	21.8%	22.5%	21.5%	21.0%

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.