


India

ADD (no change)

Consensus ratings*: Buy 12 Hold 4 Sell 4

Current price: Rs1,425
 Target price:  Rs1,720
 Previous target: Rs1,720
 Up/downside: 20.7%
 InCred Research / Consensus: 5.5%

Reuters: IPCA.NS
 Bloomberg: IPCA IN
 Market cap: US\$4,223m
 Rs361,411m
 Average daily turnover: US\$7.6m
 Rs649.5m
 Current shares o/s: 253.7m
 Free float: 53.7%

*Source: Bloomberg

Key changes in this note

- Cut FY26F PAT estimate by 5%.
- Introduce FY27F estimates and roll forward the valuation to the same.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	1.7	5.1	14.0
Relative (%)	0.5	(5.5)	3.6

Major shareholders	% held
Promoter	46.3
HDFC MF	7.2
DSP MF	6.8

Research Analyst(s)**Yogesh SONI**

T (91) 22 4161 1566

E yogesh.soni@incredresearch.com

Ipca Laboratories Ltd

Growth & margin improvement to sustain

- 4QFY25 revenue was in line. The EBITDA margin was 130bp below estimate.
- Unichem's margin declined by 180bp QoQ due to its product mix. For Unichem, the guidance is a 100bp margin improvement in FY26F.
- Cut FY26F PAT by 5% because of revised margin estimates. We maintain our ADD rating on the stock with an unchanged target price of Rs1,720.

Consistent growth but margin falls short of expectations

Ipca Laboratories' (Ipca) 4QFY25 performance was broadly in line with expectations, although margin fell short by 130bp while EBITDA was 6% below our estimate. The India business segment posted its ninth consecutive quarter of double-digit growth at 10.8% YoY, below our 13.9% estimate but above the industry growth of 8%. The market share in top-30 metro cities improved from 32.7% in FY22 to 37.5% in FY25. Export business witnessed strong growth, with 14% QoQ and 10% YoY increase. The generics business grew by 7% YoY and 10% QoQ. In FY25, the South African market faced challenges due to tender losses while inventory rationalization impacted Australia and New Zealand. The generics segment is expected to grow by 8–10% in FY26F. Branded business remained stable, after a recovery in 3Q (+3% YoY/ QoQ). Institutional business posted robust growth of 50% QoQ/36% YoY. It is expected to grow by 8-10% in FY26F. The consolidated EBITDA margin stood at 19.1% while subsidiary Unichem reported a margin of 14.3%, a QoQ decline, due to its product mix. Ipca's base business margin improved by 150bp to 21.2% in FY25, and the consolidated margin at 19.3% exceeded the guidance of 18%.

Unichem subsidiary – delivering ahead of time

The synergy benefits to Unichem got reflected in FY25. Although Unichem's gross margin improved nominally by 40bp in FY25 (as gross margin fell significantly in 4Q by 900bp due to its product mix), the improvement in the EBITDA margin has been significant. Unichem's margin improved from 5% in FY24 to 12.5% in FY25. It has been able to reach mid-teen margin a year earlier than its guidance. The synergies have arisen from a substantial reduction in procurement prices, manufacturing of initial six products by Unichem witnessing manufacturing-related cost savings of 25-30%, Ipca's cost efficiency, and many more in the pipeline. Further, the API sourcing from Ipca will lead to a further reduction in input costs. Ipca expects Unichem to report 8-10% topline growth in FY26F and 10-12% growth over the next three years. Margin improvement is expected to be 100bp in FY26F.

Maintain ADD rating with an unchanged target price of Rs1,720

We believe Ipca is well-positioned for sustained double-digit growth over the next few years driven by robust performance in its India and exports segments, market share gains in key metro cities and resilient generics business. Margin improvement in both - the base business and Unichem - is supported by cost synergy and efficient API sourcing. We maintain our ADD rating on Ipca with an unchanged target price of Rs1,720, while trimming our FY26F EPS by 5% due to a revision in margin estimates. Downside risk: Slower margin expansion in Unichem.

Financial Summary	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Revenue (Rsm)	62,443	77,074	89,396	98,574	110,125
Operating EBITDA (Rsm)	9,268	12,821	17,261	19,921	23,384
Net Profit (Rsm)	4,713	5,474	7,375	10,813	13,409
Core EPS (Rs)	18.6	23.3	34.7	42.6	52.9
Core EPS Growth	(46.7%)	25.3%	49.1%	22.8%	24.0%
FD Core P/E (x)	76.69	61.21	41.06	33.43	26.96
DPS (Rs)	4.0	4.0	5.0	5.0	5.0
Dividend Yield	0.28%	0.28%	0.35%	0.35%	0.35%
EV/EBITDA (x)	37.98	29.45	21.76	18.71	15.49
P/FCFE (x)	32.94	(448.26)	19.66	24.00	12.53
Net Gearing	(12.2%)	6.8%	2.3%	(1.7%)	(12.0%)
P/BV (x)	6.19	5.71	5.20	4.61	4.01
ROE	8.3%	9.7%	13.3%	14.6%	15.9%
% Change In Core EPS Estimates				(4.80%)	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Guidance remains healthy

1. Ipca has given overall topline growth guidance of 8-10% for FY26F and the consolidated margin to improve by 100bp. 2. Domestic formulations to grow by 1.5x, compared to market growth, implying a growth of 11-12% in FY26F. 3. The US business is expected to contribute Rs1bn in revenue in FY26F. 4. API business volume has improved, and prices remain stable. Expected to grow by 6-7% in FY26F. 5. Export formulations to witness a growth of 10-11% in FY26F. 6. R&D spending on standalone basis will be around 4% in FY26F.

Figure 1: Financial summary

(Rs m)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	Y-o-Y (%)	Q-o-Q (%)
Revenue	15,116	15,876	20,340	20,529	20,330	20,926	23,549	22,454	22,467	11%	0%
Consumption of raw materials	5,912	5,153	6,776	6,970	6,859	6,435	7,586	6,682	7,083	3%	6%
as % of sales	39.1%	32.5%	33.3%	34.0%	33.7%	30.8%	32.2%	29.8%	31.5%		
Employee costs	3,273	3,575	4,259	4,590	4,660	4,879	5,098	4,854	5,008	7%	3%
as % of sales	21.7%	22.5%	20.9%	22.4%	22.9%	23.3%	21.7%	21.6%	22.3%		
Other expenditure	4121	4071	6092	5655	5592	5686	6450	6286	6087	9%	-3%
as % of sales	27.3%	25.6%	30.0%	27.5%	27.5%	27.2%	27.4%	28.0%	27.1%		
EBITDA	1,810	3,076	3,213	3,313	3,219	3,927	4,415	4,631	4,289	33%	-7%
Margins (%)	12.0%	19.4%	15.8%	16.1%	15.8%	18.8%	18.7%	20.6%	19.1%		
Depreciation	695	693	903	995	981	989	1,004	985	1,001	2%	2%
Other income	364	449	386	225	189	206	263	201	258		
Interest	150	314	441	334	294	241	226	168	215	-27%	28%
PBT	1,329	2,518	2,254	2,209	2,133	2,904	3,448	3,679	3,331	56%	-9%
Total tax	0	-1	0	0	0	0	1	0	0		
Tax rate (%)	36.4%	34.0%	39.0%	30.0%	34.5%	31.5%	28.8%	24.6%	18.7%		
PAT before MI	1,329	2,519	2,254	2,209	2,133	2,904	3,447	3,679	3,330	56%	-9%
Minority interest (MI)	-46	-34	76	-428	567	-69	-160	-292	20		
Adj. PAT before extraordinary items	800	1,628	1,451	1,119	1,963	1,921	2,295	2,481	2,729	39%	10%
Extraordinary expenses	0	0	0	680	-1,367	0	0	0	-2,051		
Reported PAT	800	1,628	1,451	1,799	596	1,921	2,295	2,481	678	14%	-73%
No. of shares	253.7	253.7	253.7	253.7	253.7	253.7	253.7	253.7	253.7		
EPS	3.2	6.4	5.7	4.4	7.7	7.6	9.0	9.8	10.8		

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: Margin profile

(Rs m)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	Y-o-Y (bp)	Q-o-Q (bp)
Margins (%)											
Gross	61%	68%	67%	66%	66%	69%	68%	70%	68%	221	-177
EBITDA	12%	19%	16%	16%	16%	19%	19%	21%	19%	325	-154
Adj. PAT	5%	10%	7%	5%	10%	9%	10%	11%	12%	249	109
Effective tax rate	36%	34%	39%	30%	35%	31%	29%	25%	19%	-1586	-594

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Revenue break-up

(Rs m)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	Y-o-Y (%)	Q-o-Q (%)
Institutional tenders	758	484	606	766	814	577	1,123	741	1,110	36%	50%
% total revenue	5.0%	3.0%	3.0%	3.7%	4.0%	2.8%	4.8%	3.3%	4.9%		
Europe revenue	2,005	2,354	2,642	2,517	2,303	2,249	2,865	2,240	2,461	7%	10%
% total revenue	13.3%	14.8%	13.0%	12.3%	11.3%	10.7%	12.2%	10.0%	11.0%		
Domestic formulations	6,079	7,827	8,450	7,796	6,898	8,734	9,405	8,772	7,641	11%	-13%
% total revenue	40.2%	49.3%	41.5%	38.0%	33.9%	41.7%	39.9%	39.1%	34.0%		
International branded	1,564	1,140	1,459	1,048	1,619	1,128	1,427	1,600	1,664	3%	4%
% total revenue	10.3%	7.2%	7.2%	5.1%	8.0%	5.4%	6.1%	7.1%	7.4%		
Exports API / intermediates	2,522	2,174	2,500	2,073	2,577	1,955	2,214	2,228	2,508	-3%	13%
% total revenue	16.7%	13.7%	12.3%	10.1%	12.7%	9.3%	9.4%	9.9%	11.2%		
Domestic API / intermediates	948	777	849	777	766	925	972	952	906	18%	-5%
% total revenue	6.3%	4.9%	4.2%	3.8%	3.8%	4.4%	4.1%	4.2%	4.0%		
Other operating income /others	1,241	1,119	3,833	5,552	5,352	5,359	5,543	5,921	6,177	15%	4%
% total revenue	8.2%	7.0%	18.8%	27.0%	26.3%	25.6%	23.5%	26.4%	27.5%		
Total revenue	15,116	15,876	20,340	20,529	20,330	20,926	23,549	22,454	22,467	11%	0%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Actuals versus estimates

	Actuals	Incrid Estimate	Variance (%)	Bloomberg Estimate	Variance (%)
Revenue (Rsm)	22,467	22,446	0%	22,223	1%
EBITDA (Rsm)	4,289	4,572	-6%	4,146	3%
Margin (%)	19.1	20.4		18.7	
PAT (Rsm)	678	2,454	-72%	2,196	-69%

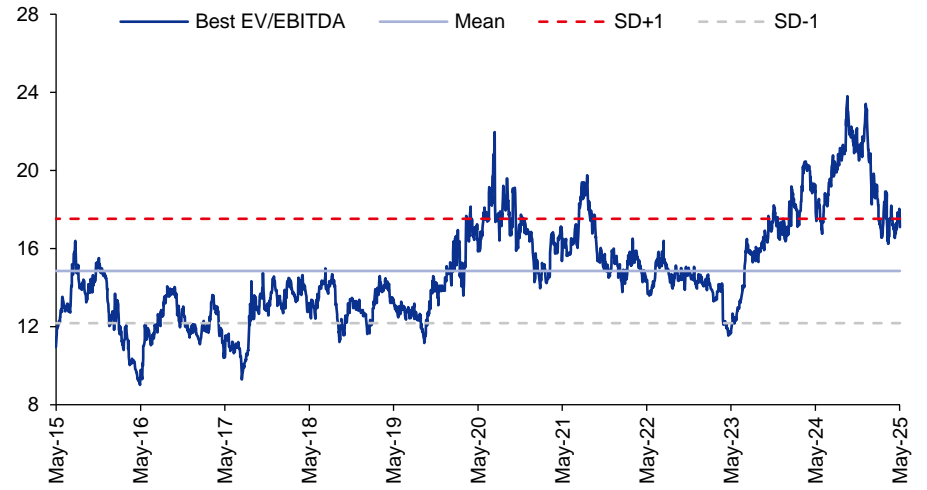
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Our revised earnings estimates

	FY26F		
	Old	New	Variance (%)
Revenue (Rsm)	1,00,527	98,574	-2%
EBITDA (Rsm)	20,717	19,921	-4%
Margin (%)	20.6	20.2	
PAT (Rsm)	11,358	10,813	-5%

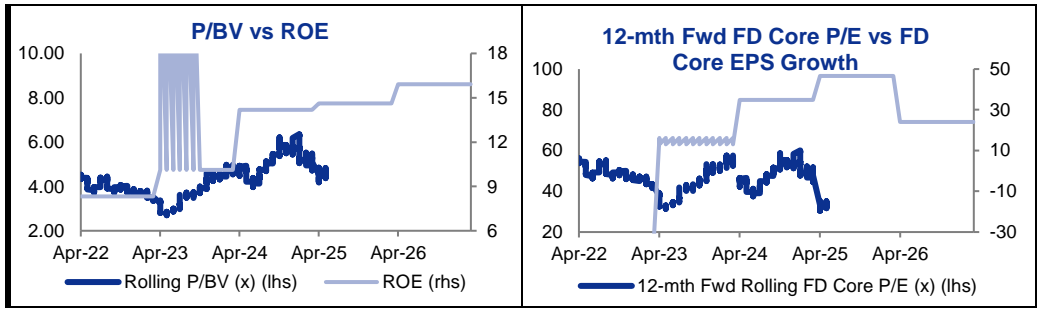
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: Ipca Laboratories is trading close to its SD+1 level



SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Total Net Revenues	62,443	77,074	89,396	98,574	110,125
Gross Profit	39,378	51,317	61,610	68,016	75,435
Operating EBITDA	9,268	12,821	17,261	19,921	23,384
Depreciation And Amortisation	(2,616)	(3,572)	(3,978)	(4,500)	(4,850)
Operating EBIT	6,652	9,249	13,283	15,421	18,534
Financial Income/(Expense)	(455)	(1,383)	(849)	(700)	(550)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	1,256	1,248	928	1,200	1,000
Profit Before Tax (pre-EI)	7,453	9,114	13,362	15,921	18,984
Exceptional Items		(687)	(2,051)		
Pre-tax Profit	7,453	8,427	11,311	15,921	18,984
Taxation	(2,534)	(3,134)	(3,436)	(4,458)	(5,126)
Exceptional Income - post-tax					
Profit After Tax	4,919	5,292	7,875	11,463	13,859
Minority Interests	(206)	181	(500)	(650)	(450)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	4,713	5,474	7,375	10,813	13,409
Recurring Net Profit	4,713	5,905	8,803	10,813	13,409
Fully Diluted Recurring Net Profit	4,713	5,905	8,803	10,813	13,409

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
EBITDA	9,268	12,821	17,261	19,921	23,384
Cash Flow from Invt. & Assoc.					
Change In Working Capital	490	(916)	(1,765)	(4,032)	(886)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	(1,700)	(2,459)	(2,284)	(5,108)	(5,576)
Net Interest (Paid)/Received	(455)	(1,383)	(849)	(700)	(550)
Tax Paid	(2,500)	(1,637)	(312)	(5,608)	(6,026)
Cashflow From Operations	8,058	9,447	13,213	10,781	16,922
Capex	(4,583)	(4,020)	(7,702)	(6,500)	(5,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments	(453)	(15,680)	(335)		
Other Investing Cashflow	(106)				
Cash Flow From Investing	2,916	(10,253)	5,176	4,281	11,922
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(1,015)	(507)	(1,015)	(1,269)	(1,269)
Preferred Dividends					
Other Financing Cashflow	6,194	1,763	(1,732)	1,497	(3,007)
Cash Flow From Financing	5,179	1,256	(2,747)	229	(4,276)
Total Cash Generated	8,095	(8,997)	2,430	4,509	7,647
Free Cashflow To Equity	10,974	(806)	18,390	15,061	28,845
Free Cashflow To Firm	11,429	576	19,239	15,761	29,395

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet

(Rs mn)	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Total Cash And Equivalents	21,798	8,646	11,076	15,585	23,232
Total Debtors	9,890	16,865	18,738	20,701	19,822
Inventories	17,434	24,696	25,604	28,586	30,835
Total Other Current Assets	2,771	5,182	7,267	6,900	8,259
Total Current Assets	51,893	55,389	62,685	71,772	82,149
Fixed Assets	26,946	46,631	46,851	48,851	49,001
Total Investments	3,027	3,036	2,163	2,163	2,163
Intangible Assets	1,972	2,333	2,035	2,035	2,035
Total Other Non-Current Assets	2,427	3,624	3,871	3,871	3,871
Total Non-current Assets	34,372	55,624	54,920	56,920	57,070
Short-term Debt	8,058	8,071	7,585	7,585	7,585
Current Portion of Long-Term Debt					
Total Creditors	5,251	7,761	8,462	8,554	9,808
Other Current Liabilities	4,750	7,725	7,816	8,269	8,859
Total Current Liabilities	18,058	23,556	23,862	24,408	26,251
Total Long-term Debt	6,518	5,804	5,432	6,429	2,972
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	2,535	4,382	4,428	4,428	4,428
Total Non-current Liabilities	9,053	10,186	9,861	10,858	7,400
Total Provisions					
Total Liabilities	27,111	33,743	33,723	35,265	33,652
Shareholders Equity	58,420	63,322	69,485	78,379	90,069
Minority Interests	733	13,948	14,398	15,048	15,498
Total Equity	59,153	77,270	83,883	93,427	105,567

Key Ratios

	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Revenue Growth	7.1%	23.4%	16.0%	10.3%	11.7%
Operating EBITDA Growth	(29.2%)	38.3%	34.6%	15.4%	17.4%
Operating EBITDA Margin	14.8%	16.6%	19.3%	20.2%	21.2%
Net Cash Per Share (Rs)	28.47	(20.61)	(7.65)	6.19	49.96
BVPS (Rs)	230.27	249.59	273.88	308.94	355.02
Gross Interest Cover	14.61	6.69	15.64	22.03	33.70
Effective Tax Rate	34.0%	37.2%	30.4%	28.0%	27.0%
Net Dividend Payout Ratio					
Accounts Receivables Days	55.52	63.35	72.68	73.02	67.16
Inventory Days	284.95	298.50	330.38	323.64	312.62
Accounts Payables Days	109.55	92.19	106.55	101.62	96.60
ROIC (%)	9.7%	8.3%	11.3%	12.3%	14.6%
ROCE (%)	9.7%	11.2%	14.1%	15.1%	16.6%
Return On Average Assets	6.5%	7.1%	9.2%	9.7%	10.7%

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.

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.