



India

**HOLD** (previously ADD)

Consensus ratings\*: Buy 10 Hold 6 Sell 7

Current price:	Rs5,295
Target price:	Rs5,750
Previous target:	Rs6,150
Up/downside:	8.6%
InCred Research / Consensus:	11.1%
Reuters:	ALKE.NS
Bloomberg:	ALKEM IN
Market cap:	US\$7,401m
	Rs633,037m
Average daily turnover:	US\$7.5m
	Rs643.4m
Current shares o/s:	119.6m
Free float:	43.3%

\*Source: Bloomberg

**Key changes in this note**

- FY26F EPS cut by 10%.
- Downgrade our rating to HOLD (ADD earlier).
- Target price cut to Rs5,750 from Rs6,150.



Source: Bloomberg

<b>Price performance</b>	1M	3M	12M
Absolute (%)	5.2	14.0	0.6
Relative (%)	3.4	2.2	(8.9)

<b>Major shareholders</b>	% held
Promoters	56.7
DSP MF	3.4
ICICI Pru MF	2.7

**Research Analyst(s)****Yogesh SONI**

T (91) 22 4161 1566

E yogesh.soni@incredresearch.com

# Alkem Laboratories Ltd

## Chasing growth over profitability

- Alkem Laboratories' 4QFY25 results showed a significant miss, with EBITDA being 24% below our estimate & margin at 12.4%, 400bp below our estimate.
- Flat margin in FY26F. Planned R&D expenses and operating losses from CDMO & med-tech businesses are likely to exert 70-90bp pressure on margin.
- FY26F EPS cut by 10% because of margin pressure. We downgrade our rating on the stock to HOLD with a lower target price of Rs5,750.

**Significant margin miss despite in-line growth**

Alkem Laboratories (Alkem) posted a sharp EBITDA miss in 4QFY25, coming in 24%/10% below our/Bloomberg (BB) consensus estimates, with the EBITDA margin at 12.4% - a miss of 400bp/140bp vs. our/Bloomberg estimates, respectively. Revenue was broadly in line, aided by robust performance in the RoW market (+28% YoY/+12% QoQ), driven primarily by Australia and key European geographies. The India business posted a healthy 8% YoY growth, with volume growth at 2.1% (1.2% for IPM). Key therapies, including gastrointestinal, gynaecology, respiratory and VMN, outperformed IPM growth, while the trade generics segment saw mid-single digit growth. Management expects India revenue to grow by ~100bp above the projected IPM growth of 7–8%, implying high-single digit growth in FY26F. Meanwhile, the US business dipped 6.5% QoQ to US\$70m (estimated US\$79m) but is guided to grow in mid-single digit in FY26F, led by five-to-six new launches.

**Navigating margin pressure amid strategic investments**

Alkem's EBITDA margin in FY26F is projected to remain close to FY25 level, at ~19.5%, despite operational leverage benefits from anticipated revenue growth. While gross margin is expected to remain stable at approximately 63.3%, the margin trajectory is constrained by planned R&D investments (up to 5% of revenue in FY26F vs. 4.3% in FY25) and operating losses from CDMO (Enzene Bioscience) and med-tech businesses, estimated at Rs1–1.25bn. These factors are likely to exert a 70–90bp pressure on margin. Accordingly, we have cut our EBITDA margin estimate by 120bp to 19.5%, reflecting the impact of strategic investments and segmental headwinds, underscoring the dilemma between growth aspiration and profitability in FY26F.

**Downgrade to HOLD rating with a lower target price of Rs5,750**

While Alkem's top-line growth remains robust, the sharp cut in FY26F margin (by 120bp) underscores the pressure from rising fixed costs, strategic R&D investments, and operating losses in CDMO and med-tech segments. We downgrade our rating on Alkem to HOLD (ADD earlier) with a lower target price of Rs5,750 (Rs6,150 earlier), reflecting limited upside potential. While Alkem's strategic investments aim to drive long-term value creation, the near-term margin pressure & earnings volatility warrant a more cautious stance. Our revised valuation methodology shifts from P/E-based to EV/EBITDA, better aligning with the evolving earnings dynamics driven by deferred tax adjustments, despite resilient operating margin. Downside/upside risks: Slowdown in India & US businesses, early improvement in margin and vice-versa.

<b>Financial Summary</b>	<b>Mar-23A</b>	<b>Mar-24A</b>	<b>Mar-25A</b>	<b>Mar-26F</b>	<b>Mar-27F</b>
Revenue (Rsm)	115,993	126,676	129,645	141,635	156,611
Operating EBITDA (Rsm)	16,095	22,455	25,122	27,580	32,731
Net Profit (Rsm)	9,842	17,958	21,655	23,161	19,853
Core EPS (Rs)	89.0	159.3	181.1	193.7	166.0
Core EPS Growth	(35.4%)	79.1%	13.7%	7.0%	(14.3%)
FD Core P/E (x)	59.52	33.24	29.23	27.33	31.89
DPS (Rs)	54.0	35.0	35.0	40.0	40.0
Dividend Yield	1.02%	0.66%	0.66%	0.76%	0.76%
EV/EBITDA (x)	38.37	27.99	24.44	21.86	18.21
P/FCFE (x)	20.19	17.07	20.05	20.27	25.92
Net Gearing	(17.3%)	(4.9%)	(11.3%)	(17.8%)	(20.6%)
P/BV (x)	7.00	6.14	5.28	4.57	4.13
ROE	12.0%	19.7%	19.4%	17.9%	13.6%
% Change In Core EPS Estimates				(9.99%)	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## Other highlights

a) Management gave guidance of high-single digit overall growth in FY26F and double-digit in FY27F. b) The RoW market is expected to grow in mid-teens in FY26F. c) Capex in FY26F seen at Rs7-7.5bn, of which Rs2-2.5bn will be spent on Enzene Biosciences. d) Expected tax rate or ETR in FY26F will be 13-15% whereas in FY27F it will be 35-37% due to MAT credit and completion of tax holidays.

**Figure 1: Financial summary**

(Rs m)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	Y-o-Y (%)	Q-o-Q (%)
Revenue	29,026	29,677	34,402	33,239	29,358	30,318	34,147	33,743	31,438	7%	-7%
Consumption of raw materials	12,555	11,986	13,271	13,045	11,074	10,760	12,047	12,043	12,793	16%	6%
as % of sales	43.3%	40.4%	38.6%	39.2%	37.7%	35.5%	35.3%	35.7%	40.7%		
Employee costs	5,030	5,677	5,554	5,722	5,058	6,023	6,105	6,248	6,164	22%	-1%
as % of sales	17.3%	19.1%	16.1%	17.2%	17.2%	19.9%	17.9%	18.5%	19.6%		
R&D costs	1,472	1,202	1,158	1,110	1,757	1,257	1,465	1,312	1,585	-10%	21%
as % of sales	5.1%	4.1%	3.4%	3.3%	6.0%	4.1%	4.3%	3.9%	5.0%		
Other expenditure	6437	6921	6952	6286	7449	6193	7002	6546	6983	-6%	7%
as % of sales	22.2%	23.3%	20.2%	18.9%	25.4%	20.4%	20.5%	19.4%	22.2%		
EBITDA	3,533	3,892	7,467	7,076	4,020	6,086	7,528	7,594	3,913	-3%	-48%
Margins (%)	12.2%	13.1%	21.7%	21.3%	13.7%	20.1%	22.0%	22.5%	12.4%		
Depreciation	783	724	739	696	834	805	789	853	1,125	35%	32%
Other income	687	658	632	936	882	1,203	1,345	930	1,460		
Interest	289	298	303	255	269	291	281	360	284	6%	-21%
PBT	3,147	3,529	7,057	7,062	3,799	6,194	7,803	7,311	3,963	4%	-46%
Total tax	1,440	650	332	506	629	691	783	903	733		
Tax rate (%)	45.8%	18.4%	4.7%	7.2%	16.5%	11.2%	10.0%	12.3%	18.5%		
PAT before MI	1,707	2,878	6,726	6,556	3,170	5,502	7,020	6,408	3,230	2%	-50%
Minority interest (MI)	33	-11	56	-93	-109	-51	-133	-150	-171		
Adj. PAT before extraordinary items	1,740	2,867	6,782	6,463	3,061	5,452	6,886	6,258	3,059	0%	-51%
Extraordinary expenses	-1,030	0	-577	-513	-125	0	0	0	0		
Reported PAT	710	2,867	6,205	5,950	2,936	5,452	6,886	6,258	3,059	4%	-51%
No. of shares (m)	119.6	119.6	119.6	119.6	119.6	119.6	119.6	119.6	119.6		
EPS (Rs)	14.5	24.0	56.7	54.0	25.6	45.6	57.6	52.3	25.6		

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	57%	60%	61%	61%	62%	65%	65%	64%	59%	-297	-500
EBITDA	12%	13%	22%	21%	14%	20%	22%	23%	12%	-125	-1,006
Adj. PAT	6%	10%	20%	19%	10%	18%	20%	19%	10%	-70	-882
Effective tax rate	46%	18%	5%	7%	17%	11%	10%	12%	19%	195	615

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 (%)
North America	5,916	6,955	7,675	6,838	6,241	6,416	5,976	6,340	6,086	-2%	-4%
% total revenue	20.4%	23.4%	22.3%	20.6%	21.3%	21.2%	17.5%	18.8%	19.4%		
RoW	2,654	3,191	2,866	3,402	2,855	3,261	3,205	3,265	3,661	28%	12%
% total revenue	9.1%	10.8%	8.3%	10.2%	9.7%	10.8%	9.4%	9.7%	11.6%		
India	20,113	19,007	23,278	22,328	19,724	20,223	24,610	23,649	21,355	8%	-10%
% total revenue	69.3%	64.0%	67.7%	67.2%	67.2%	66.7%	72.1%	70.1%	67.9%		
Others	343	524	583	671	538	418	356	489	336	-38%	-31%
% total revenue	1.2%	1.8%	1.7%	2.0%	1.8%	1.4%	1.0%	1.4%	1.1%		
Total revenue	29,026	29,677	34,402	33,239	29,358	30,318	34,147	33,743	31,438	7%	-7%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 4: Actuals versus estimates**

	Actuals	Incared Estimate	Variance (%)	Bloomberg Estimate	Variance (%)
Revenue (Rsm)	31,438	31,356	0.3	31,663	(0.7)
EBITDA (Rsm)	3,913	5,150	(24.0)	4,355	(10.2)
Margin (%)	12.4	16.4		13.8	
PAT (Rsm)	3,059	4,240	(27.9)	3,595	(14.9)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Financial summary

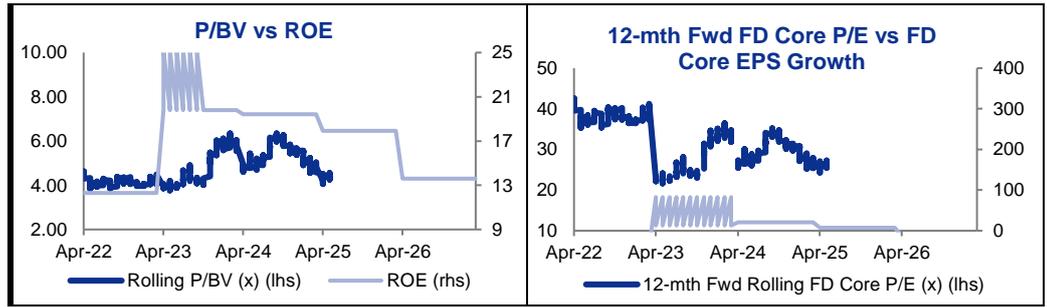
	FY26F		
	Old	New	Variance (%)
Revenue (Rsm)	1,43,762	1,41,635	(1.5)
EBITDA (Rsm)	29,762	27,580	(7.3)
Margin (%)	20.7	19.5	
PAT (Rsm)	25,731	23,161	(10.0)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: After the recent price correction, Alkem Laboratories trades close to the SD+1 level



BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
<b>Total Net Revenues</b>	115,993	126,676	129,645	141,635	156,611
<b>Gross Profit</b>	66,924	77,300	82,003	89,938	100,231
<b>Operating EBITDA</b>	16,095	22,455	25,122	27,580	32,731
Depreciation And Amortisation	(3,104)	(2,993)	(3,572)	(3,900)	(4,350)
<b>Operating EBIT</b>	12,990	19,462	21,550	23,680	28,381
Financial Income/(Expense)	(1,074)	(1,124)	(1,217)	(1,100)	(1,300)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	2,161	3,108	4,937	4,700	4,000
<b>Profit Before Tax (pre-EI)</b>	14,078	21,446	25,270	27,280	31,081
Exceptional Items	(1,030)	(1,215)			
<b>Pre-tax Profit</b>	13,048	20,231	25,270	27,280	31,081
Taxation	(2,980)	(2,117)	(3,110)	(3,819)	(10,878)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	10,068	18,115	22,160	23,461	20,203
Minority Interests	(226)	(157)	(505)	(300)	(350)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	9,842	17,958	21,655	23,161	19,853
Recurring Net Profit	10,636	19,045	21,655	23,161	19,853
<b>Fully Diluted Recurring Net Profit</b>	10,636	19,045	21,655	23,161	19,853

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
<b>EBITDA</b>	16,095	22,455	25,122	27,580	32,731
Cash Flow from Invt. & Assoc.					
Change In Working Capital	24	(517)	(1,102)	(4,345)	(6,292)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	706	(2,457)	(4,891)	(4,119)	(11,228)
Net Interest (Paid)/Received	(1,074)	(1,124)	(1,217)	(1,100)	(1,300)
Tax Paid	649	(3,227)	(8,612)	(7,719)	(13,928)
<b>Cashflow From Operations</b>	16,825	19,481	19,128	19,116	15,211
Capex	(2,297)	(1,868)	(6,348)	(7,000)	(6,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments			(330)		
Other Investing Cashflow					
<b>Cash Flow From Investing</b>	14,528	17,613	12,451	12,116	9,211
Debt Raised/(repaid)					
Proceeds From Issue Of Shares	1,615				
Shares Repurchased					
Dividends Paid	(5,295)	(5,405)	(5,046)	(4,185)	(4,783)
Preferred Dividends					
Other Financing Cashflow	(8,820)	(24,242)	(125)	4,437	3,906
<b>Cash Flow From Financing</b>	(12,501)	(29,647)	(5,171)	252	(877)
Total Cash Generated	2,027	(12,035)	7,279	12,368	8,334
<b>Free Cashflow To Equity</b>	31,353	37,093	31,579	31,232	24,422
<b>Free Cashflow To Firm</b>	32,427	38,217	32,796	32,332	25,722

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**BY THE NUMBERS...cont'd**

<b>Balance Sheet</b>					
<b>(Rs mn)</b>	<b>Mar-23A</b>	<b>Mar-24A</b>	<b>Mar-25A</b>	<b>Mar-26F</b>	<b>Mar-27F</b>
Total Cash And Equivalents	29,409	17,374	24,653	37,022	45,356
Total Debtors	21,322	22,528	24,663	26,911	29,756
Inventories	26,075	26,612	29,224	33,992	37,587
Total Other Current Assets	10,491	37,602	29,572	16,996	18,793
<b>Total Current Assets</b>	<b>87,297</b>	<b>104,116</b>	<b>108,112</b>	<b>114,921</b>	<b>131,492</b>
Fixed Assets	25,135	25,570	28,627	31,727	33,377
Total Investments	3,046	3,348	9,432	9,432	9,432
Intangible Assets	4,926	4,743	5,377	5,377	5,377
Total Other Non-Current Assets	17,163	17,972	25,363	25,363	25,363
<b>Total Non-current Assets</b>	<b>50,270</b>	<b>51,633</b>	<b>68,799</b>	<b>71,899</b>	<b>73,549</b>
Short-term Debt	13,072	11,740	7,519	7,519	7,519
Current Portion of Long-Term Debt					
Total Creditors	11,650	17,481	18,394	12,528	13,624
Other Current Liabilities	12,350	10,725	13,738	9,699	10,548
<b>Total Current Liabilities</b>	<b>37,072</b>	<b>39,946</b>	<b>39,650</b>	<b>29,746</b>	<b>31,690</b>
Total Long-term Debt		400	3,109	3,946	5,152
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	6,145	8,260	9,816	9,816	9,816
<b>Total Non-current Liabilities</b>	<b>6,145</b>	<b>8,660</b>	<b>12,925</b>	<b>13,762</b>	<b>14,968</b>
Total Provisions					
<b>Total Liabilities</b>	<b>43,217</b>	<b>48,605</b>	<b>52,575</b>	<b>43,508</b>	<b>46,658</b>
Shareholders Equity	90,453	103,121	119,849	138,525	153,245
Minority Interests	3,897	4,023	4,488	4,788	5,138
<b>Total Equity</b>	<b>94,350</b>	<b>107,144</b>	<b>124,336</b>	<b>143,313</b>	<b>158,383</b>

<b>Key Ratios</b>					
	<b>Mar-23A</b>	<b>Mar-24A</b>	<b>Mar-25A</b>	<b>Mar-26F</b>	<b>Mar-27F</b>
Revenue Growth	9.1%	9.2%	2.3%	9.2%	10.6%
Operating EBITDA Growth	(21.0%)	39.5%	11.9%	9.8%	18.7%
Operating EBITDA Margin	13.9%	17.7%	19.4%	19.5%	20.9%
Net Cash Per Share (Rs)	136.64	43.78	117.30	213.75	273.37
BVPS (Rs)	756.52	862.46	1,002.37	1,158.58	1,281.69
Gross Interest Cover	12.10	17.31	17.71	21.53	21.83
Effective Tax Rate	22.8%	10.5%	12.3%	14.0%	35.0%
Net Dividend Payout Ratio					
Accounts Receivables Days	63.20	63.17	66.43	66.45	66.03
Inventory Days	208.77	194.74	213.89	223.17	231.70
Accounts Payables Days	86.97	107.67	137.42	109.16	84.65
ROIC (%)	12.0%	13.6%	14.6%	15.0%	16.8%
ROCE (%)	11.7%	17.2%	17.0%	16.3%	17.4%
Return On Average Assets	8.6%	13.8%	13.9%	13.4%	10.8%

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: 05<sup>th</sup> 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.