

India

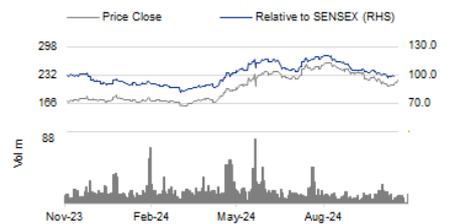
ADD (no change)

Consensus ratings*:	Buy 31	Hold 4	Sell 9
Current price:	Rs222		
Target price:	Rs265		
Previous target:	Rs281		
Up/downside:	19.4%		
InCred Research / Consensus:	3.6%		
Reuters:	AL IN		
Bloomberg:	AL IN		
Market cap:	US\$8,973m	Rs651,564m	
Average daily turnover:	US\$42.1m	Rs3058.5m	
Current shares o/s:	2,935.5m		
Free float:	48.5%		

*Source: Bloomberg

Key changes in this note

- FY25F-26F sales cut by around 9-10%.
- FY25F-26F EBITDA cut by 4-10%.
- FY25F PAT cut by ~6%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(0.3)	(9.9)	27.9
Relative (%)	2.4	(10.6)	4.5

Major shareholders	% held
Hinduja Family	51.5
SBI Mutual Fund	2.0
HDFC LIFE INSURANCE	1.4

Research Analyst(s)



Pramod AMTHE
 T (91) 22 4161 1541
 E pramod.amthe@incredresearch.com

Ravi GUPTA
 T (91) 02241611552
 E ravi.gupta@incredresearch.com

Ashok Leyland

Gradual volume recovery likely

- 2QFY25 EBITDA declining 6% yoy was in line with our/Bloomberg consensus estimates. The higher other income led to EPS beat.
- Double-digit truck volume decline in 2Q and a gradual recovery going ahead led to our EPS cut of ~6% for FY25F. Maintain FY26F estimate.
- Improved trucking activity (E-way bills)& EV/EBITDA valuation decline to below the mean level comforts. Retain ADD with a lower SOTP-based TP of Rs265.

Sustains EBITDA margin expansion trend

Ashok Leyland's 2QFY25 EBITDA grew by 12% qoq while it was down 6% yoy at Rs10.2bn, in line with our/Bloomberg consensus estimates. The EBITDA margin rose by 40bp yoy and 100bp qoq to 11.6%. Higher other income (+110% yoy) and a lower tax rate of (25%) vs. our estimate led to a 12% yoy growth in normalized PAT to Rs6.5bn, beating our estimate by 11%. Fair valuation gains of Rs1.2bn on its Hinduja Energy subsidiary led to a reported PAT of Rs7.7bn. Net debt declined by 62% qoq to Rs5bn.

Management conference-call highlights

For the domestic medium and heavy commercial vehicle industry, management gave guidance of flat volume in 2HFY25F vs. a 7% dip seen in 1H, aided by improved truck transport sector's capacity utilization, government capex revival and the low base effect in 4QFY25F. As regards the bus business and exports, management gave guidance of sustaining double-digit growth for the rest of FY25F. Management gave guidance of the electric vehicle or EV subsidiary, Switch Mobility, achieving EBITDA breakeven in FY25F, and capex & subsidiary investment of Rs7bn and Rs5bn, respectively, in FY25F.

Gradual volume recovery leads to 4-10% EBITDA cut in FY25F/26F

The double-digit decline in the domestic truck industry's sales volume since Jul 2024 was a disappointment. The slower-than-expected recovery in government capex and the Index of Industrial Production or IIP weakness (Fig. 6) led to prolonged truck volume weakness. However, the recent E-way bill spike (Fig. 5) and the low base of 4QFY24 provide hope. With 2QFY25 volume dip of 9% yoy, we cut volume estimates by 6-7% for FY25F-26F. Weak ASP led to a sharp sales cut of 9-10%. EBITDA reduced by 10% for FY25F but limited to 4% for FY26F. The lower tax guidance of 25% limits the EPS cut to 6% for FY25F.

Retain ADD rating on attractive valuation and green shoots

The sharp 15% stock price correction from its recent highs, we feel, captures the short-term industry demand weakness, as forward P/E valuation eases to -1SD below the 10-year mean level (Fig. 11). Ashok Leyland, with its healthy balance sheet, is better positioned to benefit from the green shoots seen for turnaround in truck demand. We retain ADD rating, but incorporating the EPS cut in our discounted cash flow or DCF model leads to a sum-of-the-parts or SOTP-based lower target price of Rs265, with Rs23 per share for Hinduja Leyland Finance's valuation. Downside risk: Prolonged demand weakness.

Financial Summary

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	361,442	383,670	396,324	470,059	546,837
Operating EBITDA (Rsm)	29,307	46,065	48,294	58,753	69,061
Net Profit (Rsm)	13,801	26,178	31,694	37,995	45,396
Core EPS (Rs)	4.4	9.2	10.4	12.9	15.5
Core EPS Growth	1,486.9%	109.3%	12.6%	24.5%	19.5%
FD Core P/E (x)	50.28	24.02	21.34	17.14	14.35
DPS (Rs)	2.6	4.9	5.5	6.5	7.8
Dividend Yield	1.17%	2.23%	2.48%	2.93%	3.52%
EV/EBITDA (x)	20.87	12.95	12.11	9.69	8.15
P/FCFE (x)	299.26	14.84	36.42	30.30	35.34
Net Gearing	31.8%	1.0%	(3.7%)	(8.4%)	(7.4%)
P/BV (x)	7.73	7.39	6.28	5.31	4.49
ROE	16.4%	31.5%	31.8%	33.6%	33.9%
% Change In Core EPS Estimates			(5.48%)	0.40%	(3.56%)
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Gradual volume recovery likely

Management conference-call highlights >

- **Medium heavy commercial vehicle (MHCV) segment:** The MHCV industry saw a 2% volume decline in 1HFY25 led by slow infrastructure sector growth due to general elections in India and heavy rains which, management believes, will see growth in 2HFY25F led by normalization of the government's infrastructure push and improving fleet utilization, which stands at 90% in major areas. The market share was maintained at ~31%. Management maintained its guidance of achieving 35% share in the near- to medium-term.
- **Light commercial vehicle (LCV) segment:** Ashok Leyland currently accounts for 50% of the LCV market, which it plans to increase it to 85% led by new launches and industry growth visibility. Currently, it has a 20% market share, with 30-35% market share in the southern region and single-digit market share in north, east and central parts of the country.
- **Financial performance:** The EBITDA margin for the quarter stood at 11.6%, up 100bp qoq, led by improvement in net realization on the back of a superior mix, cost optimization initiative and growth in the non-CV business.
- **Raw material cost:** The quarter saw softening in steel prices by Rs2.5 per/kg, which led to an improvement in the margin by 50bp while cost reduction initiatives contributed another 50bp.
- **Bus business (passenger MHCV):** In 1HFY25, the volume grew by 39% yoy driven by strong demand for its buses from state governments. The company has a market share of 50% in the bus segment. Plans to launch a 15-meter bus and endeavours to gain market share in the small bus segment while maintaining its leadership in the long-bus segment.
- **International business:** In 2QFY25, export volume grew by 14% yoy and 42% qoq. The company continues to focus on markets such as SAARC, Middle East, Africa and Asia. The long-term aim is to dispatch 15,000 vehicles per annum (5,644 vehicles in 1HFY25).
- **Hinduja Leyland Finance (HLF):** The acquisition of HLF has been delayed due to non-receipt of regulatory approval. Total assets under management stand at Rs545bn, revenue at Rs29bn and profits at Rs3.5bn. The company plans to invest Rs2.5bn in 2HFY25F.
- **Defence segment business:** in 1HFY25, the defence segment doubled its share in the top line and has a strong order pipeline.
- **Power solutions business:** Volume for the quarter was slightly down yoy due to the pre-purchase effect in FY24. 2HFY25F outlook remains positive.
- **Aftermarket:** The aftermarket business saw a growth of 14% in 1HFY25 yoy. Management is confident of the growth momentum.
- **Switch Mobility:** Management is hopeful of Switch Mobility achieving EBITDA breakeven in the current financial year. The company has an order book for 2,000 buses, which management is confident of executing in the next 15 months and turn financially self-sufficient in the next two-to-three years. Management plans to invest Rs5-7.5bn into subsidiaries in FY25F.
- **AC-fitted cabin trucks:** AC-fitted cabin trucks are likely to increase the cost by 0.5% per unit. Currently, 20% of the trucks already come with ACs, but from Jun 2025 the central government is likely to make it mandatory for all.

Figure 1: Quarterly results comparison

Y/E Mar (Rs m)	2QFY25	2QFY24	yoy % chg	1QFY25	qoq % chg	1HFY25	1HFY24	yoy % chg	Comments
Revenue	87,688	96,380	(9.0)	85,985	2.0	1,73,674	1,78,273	(2.6)	1% above our estimate.
Operating costs	62,410	70,866	(11.9)	62,046	0.6	1,24,457	1,31,237	(5.2)	
RM as a % of revenue	71.2	73.5	(235)	72	(99)	71.7	73.6	(195)	83bp below our estimate.
EBITDA	10,173.0	10,797.9	(6)	9,109	12	19,281.7	19,005.4	na	In line with our estimate.
EBITDA margin (%)	11.6	11.2	39.8	10.6	101	11.1	10.7	44.1	20bp above our estimate.
Depreciation & amortization	1,754	1,803	(2.7)	1,727	1.6	3,482	3,597	(3.2)	
EBIT	8,419	8,995	(6.4)	7,382	14.0	15,800	15,409	3	
Interest expenses	607	587	3.4	591	2.8	1,197	1,286	(6.9)	10% above our estimate.
Other income	973	464	109.6	223	335.4	1,196	976	22.6	50% above our estimate.
Pre-tax profit	8,785	8,872	(1.0)	7,014	25.2	15,799	15,099	4.6	
Tax	2,257	3,044	(25.8)	1,759	28.4	4,016	5,221	(23.1)	
Tax rate (%)	25.7	34.3	(860.9)	25.1	63	25.4	34.6	(916)	430bp below our estimate.
Normalized net profit	6,527	5,828	12.0	5,256	24	11,783	9,878	19	11% above our estimate.
Extraordinary income/expenses	1,174	(229)	613.0	-	#DIV/0!	1,174	1,485	na	-
Reported net profit	7,701	5,600	37.5	5,256	46.5	12,957	11,364	14	
Normalized EPS (Rs)	2.2	2.0	12.0	1.8	24.2	4.0	3.4	19	
Volume (nos)	45,624	49,846	37.5	43,893	46.5	89,517	91,175	(1.8)	
Net realization (Rs)	19,21,977	19,33,563	(8.5)	19,58,975	(1.9)	19,40,119	19,55,287	(0.8)	2% above our estimate.
EBITDA/vehicle	2,22,975	2,16,625	(0.6)	2,07,521	7.4	2,15,397	2,08,450	3.3	

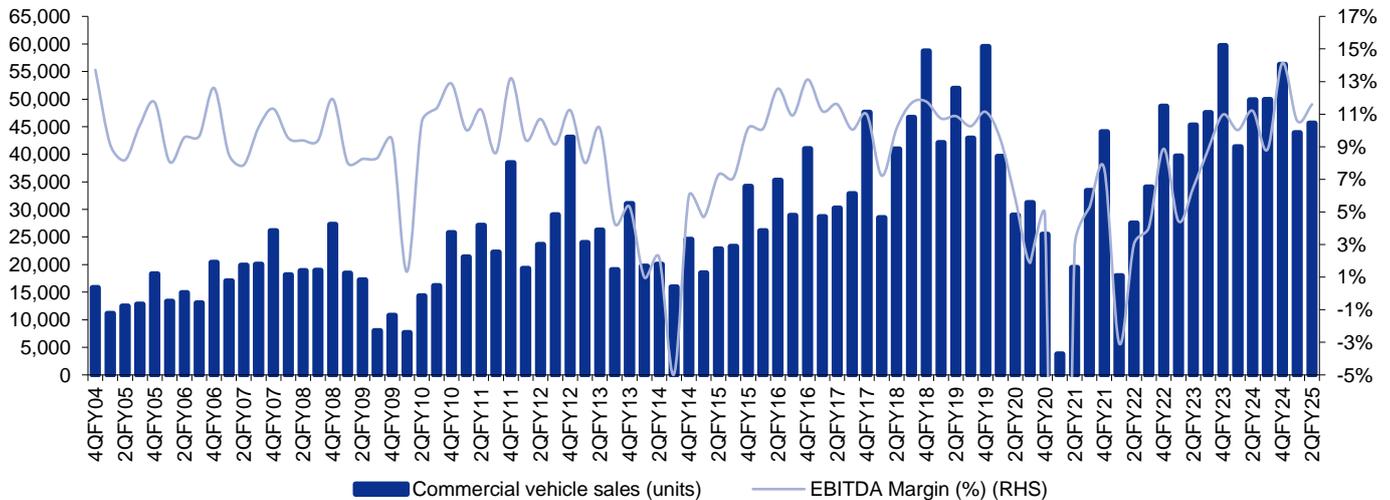
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: Ashok Leyland's total sales volume break-up

Segment (Domestic)	2QFY25	2QFY24	yoy %	1QFY25	qoq %	1HFY25	1HFY24	yoy %
Passenger Carrier M&HCVs	4,632	4,295	8%	5,612	-17%	10,244	7,372	39%
Goods Carrier M&HCVs	21,053	25,652	-18%	20,602	2%	41,655	46,861	-11%
Passenger Carrier LCVs	415	363	14%	415	0%	830	726	14%
Goods Carrier LCVs	16,214	16,635	-3%	14,930	9%	31,144	31,093	0%
Total Exports	3,310	2,901	14%	2,334	42%	5,644	5,123	10%
Total Sales volume	45,624	49,846	-8%	43,893	4%	89,517	91,175	-2%

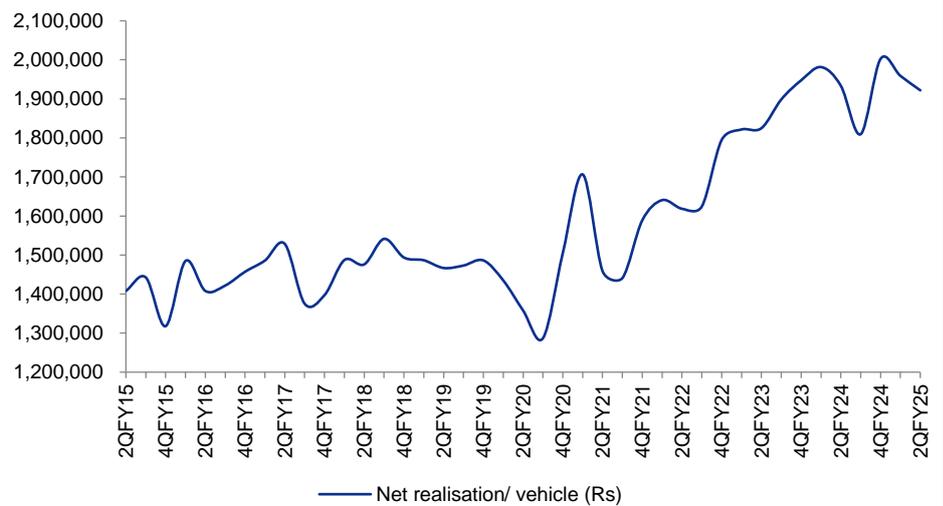
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: EBITDA margin continues its gradual uptick to double digits



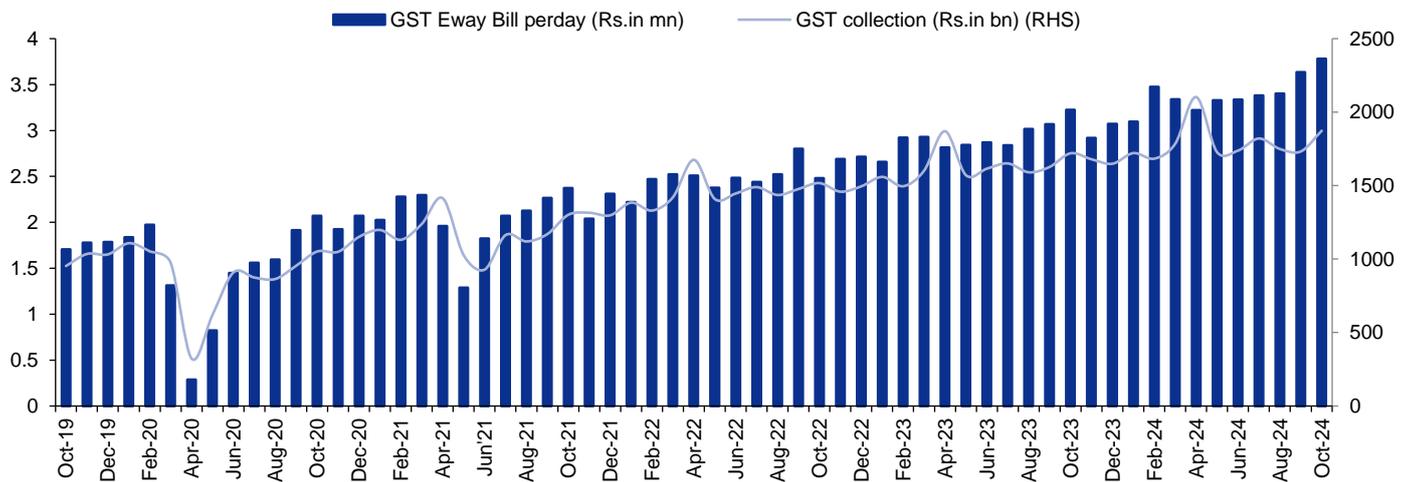
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Sequentially weak ASP impacted by lower engine sales



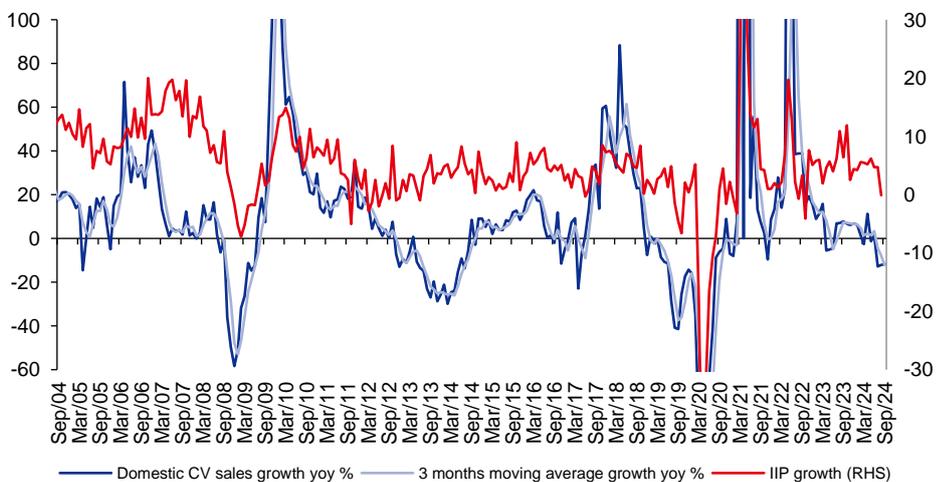
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: GST E-way bill improvement in recent months show improving truck utilization



SOURCE: GSTN.ORG.IN, CENTRE FOR MONITORING INDIAN ECONOMY, INCRED RESEARCH, COMPANY REPORTS

Figure 6: Recent IIP weakness dents commercial vehicle industry's growth



SOURCE: SIAM, MOSPI, INCRED RESEARCH, COMPANY REPORTS

Figure 7: EPS revision summary

	FY25F		FY26F		FY27F	
	Old	New	Old	New	Old	New
Sales volume (nos)	2,14,607	2,01,090	2,50,607	2,31,304	2,84,396	2,65,137
Change (%)		-6.3%		-7.7%		-6.8%
Net sales (Rsm)	4,39,611	3,96,324	5,13,757	4,70,059	5,91,040	5,46,837
Change (%)		-9.8%		-8.5%		-7.5%
EBITDA (Rsm)	53,453	48,294	60,996	58,753	73,668	69,060
Change (%)		-9.7%		-3.7%		-6.3%
EBITDA margin %	12.2%	12.2%	11.9%	12.5%	12.5%	12.6%
bp change		2.6		62.7		16.5
Normalized PAT (Rsm)	32,288	30,520	37,846	37,995	47,070	45,396
Change (%)		-5.5%		0.4%		-3.6%
Normalized EPS (Rs.)	11.00	10.40	12.89	12.94	16.03	15.46
Change (%)		-5.5%		0.4%		-3.6%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: Key assumptions

Sales Volume (nos)	FY22A	FY23A	FY24F	FY25F	FY26F	FY27F
Domestic M&HCV Trucks	61,303	1,03,480	98,111	95,168	1,06,588	1,17,247
Growth (%)	41.5	68.8	(5.2)	(3.0)	12.0	10.0
Domestic M&HCV Buses	3,788	10,767	18,086	23,150	27,317	30,595
Growth (%)	39.1	184.2	68.0	28.0	18.0	12.0
Light Commercial Vehicle	52,223	65,654	66,633	69,298	81,772	99,762
Growth (%)	11.9	25.7	1.5	4.0	18.0	22.0
Total Domestic Sales Volume	1,17,314	1,79,901	1,82,830	1,87,616	2,15,677	2,47,604
Growth (%)	26.5	53.3	1.6	2.6	15.0	14.8
Total Export Sales	11,019	10,991	11,853	13,474	15,627	17,534
Growth (%)	37.7	(0.3)	7.8	13.7	16.0	12.2
Grand Total Sales Volume	1,28,333	1,90,892	1,94,683	2,01,090	2,31,304	2,65,137
Growth (%)	27.4	48.7	2.0	3.3	15.0	14.6
Per Vehicle Assumptions (Rs.)						
ASP	16,90,032	18,93,435	19,70,742	19,70,876	20,32,216	20,62,468
Growth (%)	11.3	12.0	4.1	0.0	3.1	1.5
Contribution	3,83,987	4,34,539	5,37,026	5,56,095	5,61,510	5,68,919
Growth (%)	(0.8)	13.2	23.6	3.6	1.0	1.3
EBITDA/ vehicle	81,441	1,53,527	2,36,618	2,40,161	2,54,006	2,60,471
Growth (%)	53.3	88.5	54.1	1.5	5.8	2.5
Net profit /vehicle	6,361	67,866	1,39,281	1,51,773	1,64,265	1,71,216
Growth (%)	(121.3)	966.9	105.2	9.0	8.2	4.2

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 9: Discounted cash flow or DCF-based target price valuation summary

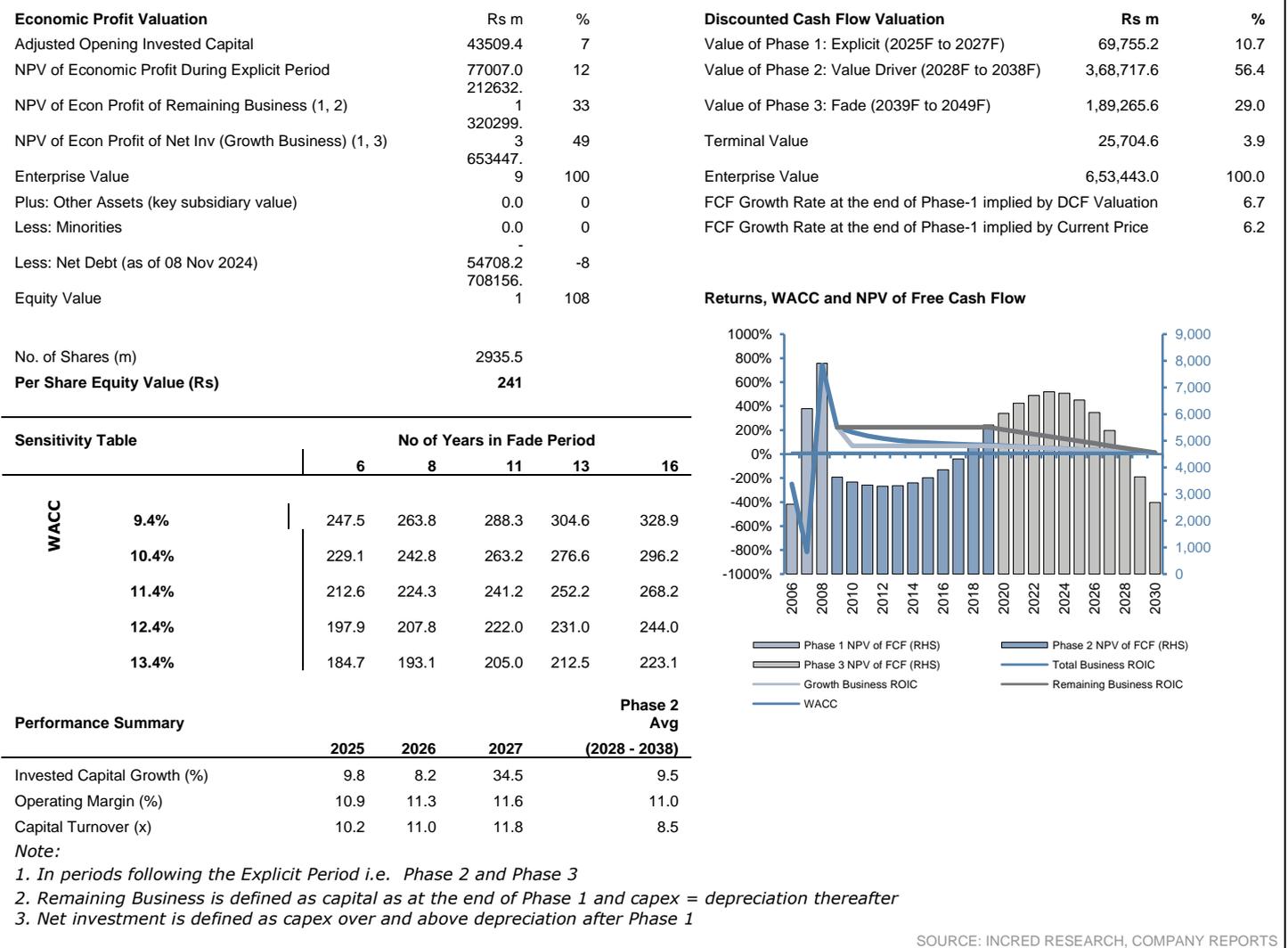


Figure 10: Sum-of-the-parts or SOTP-based target price

	Methodology	Value per share (Rs)
CV business	DCF-based valuation	241.2
Hinduja Leyland Finance	1.5x FY24 book value	23.8
SOTP value of Ashok Leyland		265.0

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 11: One-year forward P/E is close to the -1SD level

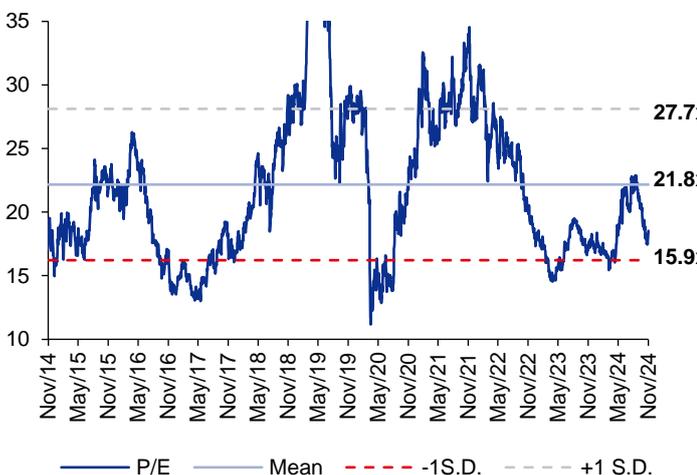


Figure 12: One-year forward P/BV eases to the +1x SD level

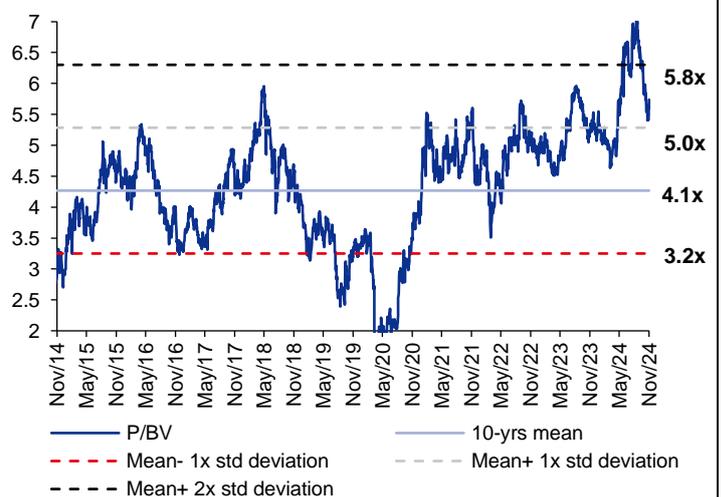
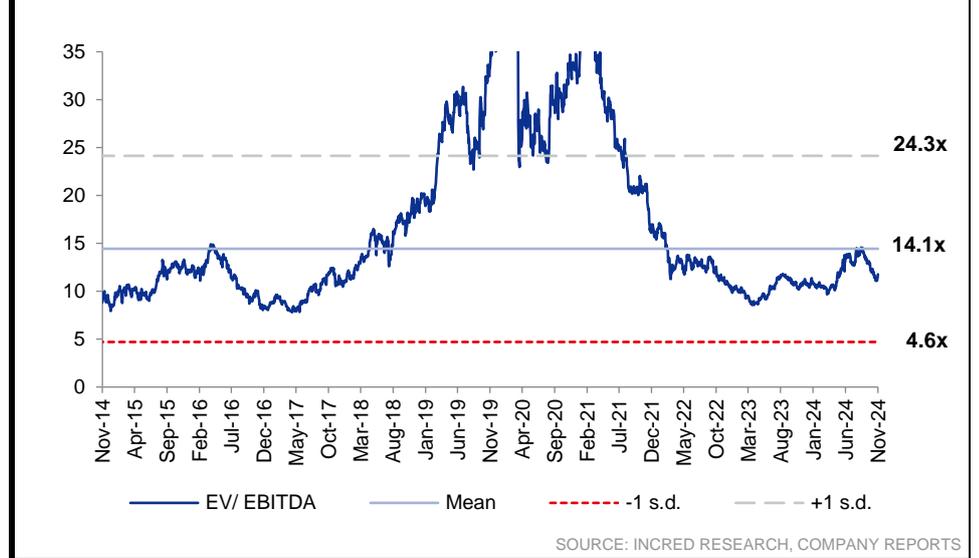
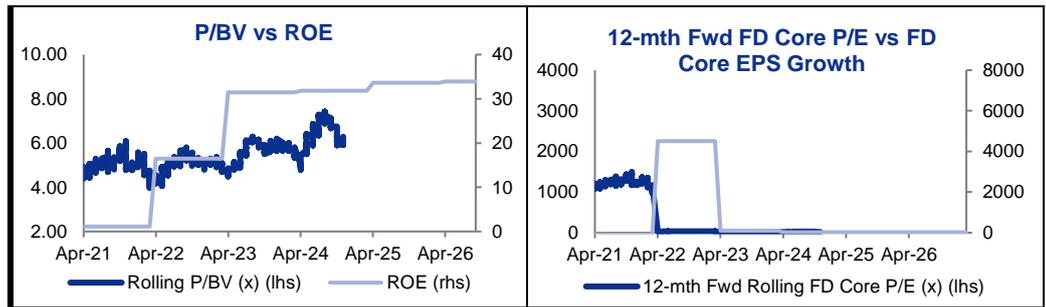


Figure 13: Forward EV/EBITDA is still below the 20-year mean level



BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Net Revenues	361,442	383,670	396,324	470,059	546,837
Gross Profit	82,950	104,550	111,825	129,879	150,842
Operating EBITDA	29,307	46,065	48,294	58,753	69,061
Depreciation And Amortisation	(7,320)	(7,178)	(7,636)	(8,362)	(8,970)
Operating EBIT	21,988	38,887	40,658	50,391	60,091
Financial Income/(Expense)	(2,891)	(2,494)	(2,330)	(2,240)	(2,319)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	1,161	2,466	2,638	2,849	3,163
Profit Before Tax (pre-EI)	20,258	38,859	40,966	51,000	60,934
Exceptional Items					
Pre-tax Profit	20,258	38,859	40,966	51,000	60,934
Taxation	(7,303)	(11,743)	(10,446)	(13,005)	(15,538)
Exceptional Income - post-tax	846	(937)	1,174		
Profit After Tax	13,801	26,178	31,694	37,995	45,396
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	13,801	26,178	31,694	37,995	45,396
Recurring Net Profit	12,955	27,116	30,520	37,995	45,396
Fully Diluted Recurring Net Profit	12,955	27,116	30,520	37,995	45,396

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
EBITDA	29,307	46,065	48,294	58,753	69,061
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(13,511)	(7,933)	11,069	2,500	(7,517)
(Incr)/Decr in Total Provisions	11,790	15,636	(4,628)	3,000	1,550
Other Non-Cash (Income)/Expense	3,592	528			
Other Operating Cashflow	846	(937)	1,174		
Net Interest (Paid)/Received	(1,730)	(29)	308	609	843
Tax Paid	(5,267)	(12,854)	(13,929)	(16,320)	(19,499)
Cashflow From Operations	25,028	40,476	42,289	48,542	44,438
Capex	(3,827)	(4,394)	(17,889)	(17,362)	(18,970)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(15,754)	4,351	(3,518)	(5,685)	(2,039)
Cash Flow From Investing	(19,581)	(43)	(21,406)	(23,047)	(21,009)
Debt Raised/(repaid)	(3,270)	3,470	(3,000)	(4,000)	(5,000)
Proceeds From Issue Of Shares	1				
Shares Repurchased					
Dividends Paid	(7,634)	(14,535)	(16,150)	(19,086)	(22,903)
Preferred Dividends					
Other Financing Cashflow					
Cash Flow From Financing	(10,903)	(11,064)	(19,150)	(23,086)	(27,903)
Total Cash Generated	(5,457)	29,369	1,733	2,409	(4,474)
Free Cashflow To Equity	2,177	43,903	17,882	21,495	18,429
Free Cashflow To Firm	8,337	42,927	23,213	27,735	25,748

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	5,013	34,382	36,114	38,524	34,050
Total Debtors	40,627	35,699	36,918	51,513	65,920
Inventories	27,745	31,907	34,746	42,499	52,436
Total Other Current Assets	20,810	16,339	17,339	18,339	19,339
Total Current Assets	94,194	118,326	125,117	150,874	171,745
Fixed Assets	72,711	74,885	72,447	81,446	91,446
Total Investments	66,636	55,598	62,598	71,598	77,598
Intangible Assets					
Total Other Non-Current Assets					
Total Non-current Assets	139,347	130,483	135,044	153,044	169,044
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	71,751	63,052	78,179	103,027	119,855
Other Current Liabilities	22,577	30,380	28,000	30,000	31,500
Total Current Liabilities	94,328	93,432	106,179	133,027	151,355
Total Long-term Debt	31,801	35,271	32,271	28,271	23,271
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
Total Non-current Liabilities	31,801	35,271	32,271	28,271	23,271
Total Provisions	15,421	19,311	18,063	20,063	21,113
Total Liabilities	141,550	148,014	156,513	181,361	195,739
Shareholders Equity	84,258	88,104	103,648	122,557	145,050
Minority Interests					
Total Equity	84,258	88,104	103,648	122,557	145,050

Key Ratios					
	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue Growth	66.6%	6.1%	3.3%	18.6%	16.3%
Operating EBITDA Growth	180.4%	57.2%	4.8%	21.7%	17.5%
Operating EBITDA Margin	8.1%	12.0%	12.2%	12.5%	12.6%
Net Cash Per Share (Rs)	(9.13)	(0.30)	1.31	3.49	3.67
BVPS (Rs)	28.70	30.01	35.31	41.75	49.41
Gross Interest Cover	7.61	15.59	17.45	22.50	25.91
Effective Tax Rate	36.0%	30.2%	25.5%	25.5%	25.5%
Net Dividend Payout Ratio	58.9%	53.6%	52.9%	50.2%	50.5%
Accounts Receivables Days	36.22	36.31	33.44	34.33	39.19
Inventory Days	31.78	39.00	42.76	41.44	43.75
Accounts Payables Days	92.07	88.14	90.60	97.21	102.72
ROIC (%)	25.4%	38.6%	41.7%	61.1%	66.3%
ROCE (%)	19.0%	31.1%	30.1%	33.8%	36.4%
Return On Average Assets	6.8%	11.9%	12.6%	14.0%	14.6%

Key Drivers					
	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
ASP (% chg, main prod./serv.)	12.0%	4.1%	N/A	3.1%	1.5%
Unit sales grth (% , main prod./serv.)	48.7%	2.0%	3.3%	15.0%	14.6%

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.

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.
<i>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.</i>	
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.