

India

REDUCE (no change)

Consensus ratings*: Buy 17 Hold 3 Sell 2

Current price: Rs4,162
 Target price: ▲ Rs3,030
 Previous target: Rs2,400
 Up/downside: -27.2%
 InCred Research / Consensus: -39.3%

Reuters:
 Bloomberg: INDIGO IN
 Market cap: US\$22,146m
 Rs1,608,151m
 Average daily turnover: US\$81.1m
 Rs5889.2m
 Current shares o/s: 384.9m
 Free float: 37.0%

*Source: Bloomberg

Key changes in this note

- Roll forward our valuation to Mar 2026F.
- Raise our FY26F PAT estimate by 16%.
- Introduce FY27F estimates.

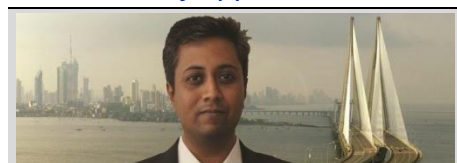


Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(9.8)	(7.9)	43.0
Relative (%)	(7.1)	(3.2)	33.4

Major shareholders

	% held
Promoter and Promoter Group	63.0
ICICI Prudential Asset management	2.4
SBI Funds management	2.2

Research Analyst(s)**Rajarshi MAITRA**

T (91) 22 4161 1546
 E rajarshi.maitra@incredresearch.com

Shivam AGARWAL

T (91) 22 4161 1500
 E shivam.agarwal@incredresearch.com

InterGlobe Aviation Ltd**Similar profit/ASK yoy despite the dip in fuel price**

- 3Q operating PBT rose by 19% yoy driven by a 12% yoy rise in ASK.
- The industry fleet grew ahead of demand over the last one year.
- Roll forward our valuation; retain REDUCE rating with a higher TP of Rs3,030.

Operating PBT up 19% yoy driven by a 12% yoy rise in ASK

Reported PAT dipped by 19% yoy to Rs24.4bn in 3QFY25 due to a Rs14bn forex loss. Excluding the forex loss, PAT (Rs38.4bn) rose by 26% yoy, partly boosted by claims booked from engine maker Pratt & Whitney (P&W: quantum not disclosed) in revenue in 2HFY24-3QFY25. InterGlobe Aviation (IndiGo) stated that grounded planes peaked in 2QFY25 (~75), currently ~60 and is expected to be 40 by Mar 2025F. As a result, vs. 2QFY24 (before the start of booking claims from P&W), ancillary revenue rose by 39% and other operating income increased 113%, despite just a 15.5% higher ASK. We estimate that claims booked in 3QFY25/2QFY25/3QFY24 of Rs7bn/ Rs5.8bn/Rs4.2bn, respectively, and consider this as extraordinary in our analysis. Excluding the estimated claims from P&W, operating PBT rose by 19% yoy, driven by a 12% yoy rise in ASK. PLF rose by 100bp yoy. Gross profit/ ASK rose by 10% yoy (Re 0.33) despite a similar RASK yoy due to a 16% yoy dip in fuel costs/ASK. RASK-CASK rose just by Re0.04 yoy due to the yoy rise in ownership costs and other expenses/ASK. IndiGo gave guidance of ~20% yoy ASK growth in 4QFY25F, with an early single-digit yoy dip in RASK. We expect RASK-CASK to dip 19% yoy in 4QFY25F.

Industry fleet grew ahead of demand over the last one year

In 3Q, domestic industry traffic rose by 9.3% yoy, IndiGo grew by 12.1% yoy while the Tata group grew by 12.5% yoy. The Tata group's market share fell a tad from 29.6% in Aug 2024 to 26.4% in Dec 2024 – this was due to teething problems in the integration of Vistara with Air India in Nov 2024 & AIX connect with Air India Express in Oct 2024. This led IndiGo's market share to rise from 62.2% in Aug 2024 to 64.4% in Dec 2024 and SpiceJet's market share to rise from 2.3% in Aug 2024 to 3.3%. Over Nov 2023 to Jan 2025, Indian aviation companies' (ex-IndiGo) operating fleet rose by 14% & seats increased 19%. This was more than the growth in RPK (domestic + international) over 3QFY24 to Sep-Nov 2024 of 6.2% (ex-IndiGo), showing that supply of aircraft grew ahead of demand.

Roll forward our valuation; retain REDUCE with a new TP of Rs3,030

We raise our FY26F PAT estimate by 16%, factoring in a slightly better margin and introduce FY27F estimates. We roll forward our valuation to Mar 2026F (from Mar 2025F earlier) and maintain our REDUCE rating on IndiGo with a higher target price of Rs3,030 (Rs2,400 earlier). We value IndiGo at 8x FY27F EV/EBITDAR, vs. the last three-year median of 7.3x. We factor in Re0.19 RASK-CASK in FY26F/ 27F (like the average in FY16-20). Over the last three years, IndiGo traded in a wide range of one-year forward EV/EBITDAR. It currently trades at 10.3x FY26F EV/ EBITDAR (40% premium to the median) and at a P/E of 48x FY26F. Sharp uptick in domestic traffic is an upside risk.

Financial Summary	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	541,965	681,343	759,975	802,763	878,772
Operating EBITDA (Rsm)	91,933	157,820	152,702	163,170	177,244
Net Profit (Rsm)	(3,180)	81,674	59,827	32,024	33,772
Core EPS (Rs)	50.2	172.7	121.1	83.0	87.5
Core EPS Growth	(135.4%)	244.0%	(29.9%)	(31.5%)	5.5%
FD Core P/E (x)	82.89	24.09	34.36	50.16	47.56
DPS (Rs)	0.0	0.0	0.0	0.0	0.0
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%
EV/EBITDA (x)	19.78	11.23	11.95	11.32	10.64
P/FCFE (x)	40.56	(96.87)	54.66	83.99	221.12
Net Gearing	(523.8%)	1,713.3%	531.7%	399.4%	333.2%
P/BV (x)	(25.46)	83.15	20.30	14.45	11.08
ROE	(31.4%)	(304.9%)	95.0%	0.0%	0.0%
% Change In Core EPS Estimates			210.96%		
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Similar profit/ASK yoy despite the dip in fuel price

Figure 1: Revenue breakdown: IndiGo booked claims from Pratt & Whitney (P&W: quantum not disclosed) in revenue in 2HFY24-3QFY25; IndiGo mentioned that grounded planes peaked in 2Q (~75), currently at ~60 and are expected to be at 40 by Mar 2025F; ancillary revenue rose by 39% (vs. 2QFY24) and other operating income rose by 113% despite just a 15.5% higher ASK; we estimate the claims booked in 3QFY25/ 2QFY25/ 3QFY24 at Rs7bn/ Rs5.8bn/ Rs4.2bn (extraordinary income), respectively

(Rs bn)	3QFY24	Growth (%) vs. 2QFY24	4QFY24	Growth (%) vs. 2QFY24	1QFY25	Growth (%) vs. 2QFY24	2QFY25	Growth (%) vs. 2QFY24	3QFY25	Growth (%) vs. 2QFY24
Net Sales	194.5	30.2	178.3	19.3	195.7	31.0	169.7	13.6	221.1	48.0
Passenger revenue	171.6	31.3	156.0	19.4	165.0	26.3	143.6	9.9	192.7	47.4
Ancillary revenue	17.6	13.5	17.2	10.9	17.6	13.7	18.8	20.9	21.5	38.8
Others	5.3	65.2	5.0	55.9	13.1	303.1	7.4	127.1	6.9	113.0
ASK (bn)	36.5	3.2	34.8	(1.5)	36.3	2.8	38.2	8.2	40.8	15.5

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: Reported financials – PAT dipped 19% yoy to Rs24.4bn due to a Rs14bn forex loss; adjusted PAT (Rs38.4bn; up 26% yoy) was boosted by claims booked with P&W

(Rs bn)	3QFY25	3QFY24	% yoy chg	2QFY25	% qoq chg
Net Sales	221.1	194.5	14	169.7	30.3
Passenger revenue	192.7	171.6	12	143.6	34.2
Fuel expense	(64.2)	(68.4)	(6)	(66.1)	(2.8)
Gross margin %	71.0	64.8		61.1	
EBITDAR	102.3	81.2	26	53.7	90.7
EBITDAR margin %	46.3	41.8		31.6	
EBITDA	66.2	52.0	27	18.6	256.1
EBITDA margin %	29.9	26.7		11.0	
Other income	8.2	6.1		7.9	
Depreciation	(22.2)	(16.6)	33	(20.8)	6.6
Interest	(13.1)	(11.0)	19	(12.4)	5.5
Tax	(0.8)	(0.0)		(0.8)	
Adjusted PAT	38.4	30.5	26	(7.5)	(613.4)
Extraordinary income	(14.0)	(0.5)		(2.4)	
Reported PAT	24.4	30.0	(19)	(9.9)	(347.0)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Financials considering the claims from P&W as extraordinary – operating PBT rose by 19% yoy, driven by a 12% yoy rise in ASK

(Rs bn)	3QFY25	3QFY24	% yoy chg	2QFY25	% qoq chg
Net Sales	214.1	190.3	12	163.9	30.6
Passenger revenue	192.7	171.6	12	143.6	34.2
Fuel expense	(64.2)	(68.4)	(6)	(66.1)	(2.8)
Gross margin %	70.0	64.1		59.7	
EBITDAR	95.3	77.0	24	47.9	99.2
EBITDAR margin %	44.5	40.5		29.2	
EBITDA	59.2	47.8	24	12.8	362.9
EBITDA margin %	27.6	25.1		7.8	
Other income	8.2	6.1		7.9	
Depreciation	(22.2)	(16.6)	33	(20.8)	6.6
Interest	(13.1)	(11.0)	19	(12.4)	5.5
Tax	(0.8)	(0.0)		(0.8)	
Adjusted PAT	31.4	26.3	19	(13.3)	(336.5)
Extraordinary income	(7.0)	3.7		3.4	
Reported PAT	24.4	30.0	(19)	(9.9)	(347.0)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Key metrics: ASK rose by 12% yoy and PLF rose by 1,00bp yoy; GM/ASK rose by 10% yoy (Re0.33) despite a similar RASK yoy due to a 16% yoy dip in fuel costs/ ASK; RASK-CASK rose by just by Re0.04 yoy due to a yoy rise in ownership costs and other expense/ ASK

	3QFY25	3QFY24	% yoy chg	2QFY25	% qoq chg
ASK (bn)	40.8	36.5	11.9	38.2	6.8
PLF %	86.9	85.8		82.7	
Fleet	437	358	22.1	410	6.6
Revenue/ pax km (Rs)	6.0	6.1	(0.7)	5.2	16.4
RASK Operating (Rs)	5.2	5.2	0.5	4.3	22.3
Gross profit / ASK (Rs)	3.67	3.34	9.9	2.56	43.4
Salary / ASK	(0.4)	(0.4)	0.6	(0.4)	(3.1)
Ownership & maintenance cost/ ASK	(1.8)	(1.6)	12.2	(1.8)	(2.1)
Other costs/ ASK	(0.9)	(0.8)	12.8	(0.9)	4.8
Operating PBT/ ASK	0.59	0.55	6.0	(0.53)	(209.9)
Free cash (Rs bn)	289	192	50.5	244	18.7
Restricted cash (Rs bn)	149	132	12.5	150	(0.7)
Debt & Lease Liability (Rs bn)	651	512	27.3	592	10.0
Lease Liability (Rs bn)	496	446	11.3	478	3.8

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Our estimate of IndiGo's key metrics for 4QFY25 – IndiGo gave guidance of ~20% yoy ASK growth, with an early single-digit yoy dip in RASK; we expect RASK-CASK to dip 19% yoy

	4QFY25F	4QFY24	yoy chg %	3QFY25	qoq chg %
RASK ex-P&W compensation	4.87	5.02	(3)	5.25	(7)
Fuel/ ASK	1.57	1.72	(8)	1.57	0
CASK ex-fuel	3.09	3.04	1	3.09	0
RASK- CASK	0.21	0.26	(19)	0.59	(64)
ASK (bn)	40.7	34.8	17	40.8	(0)
Operating PBT (Rs bn)	8.5	9.0	(6)	23.9	(64)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: Domestic aviation traffic: In 3QFY25, domestic industry traffic rose by 9.3% yoy, IndiGo grew by 12.1% yoy while the Tata group grew by 12.5% yoy; The Tata group's market share declined a tad from 29.6% in Aug 2024 to 26.4% in Dec 2024 – this was due to teething problems in the integration of Vistara with Air India in Nov 2024 and AIX connect with Air India Express in Oct 2024; this resulted in IndiGo's market share rising from 62.2% in Aug 2024 to 64.4% in Dec 2024 and SpiceJet's market share rising from 2.3% in Aug 2024 to 3.3%

	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24
Total	13.1	12.7	13.4	13.3	13.9	13.3	13.0	13.2	13.1	13.7	14.3	14.9
yoy growth %	3.8	4.6	3.6	2.4	4.7	6.0	7.5	5.9	6.5	8.0	12.1	7.9
IndiGo	7.9	7.6	8.1	8.0	8.5	8.0	8.1	8.2	8.2	8.6	9.1	9.6
yoy growth %	15.4	12.7	10.4	8.0	4.5	1.4	4.5	3.8	5.4	9.0	14.8	12.4
SpiceJet	0.7	0.7	0.7	0.6	0.6	0.5	0.4	0.3	0.3	0.3	0.4	0.5
yoy growth %	(19.1)	(23.1)	(15.1)	(16.8)	(23.1)	(10.2)	(19.5)	(44.2)	(52.1)	(46.9)	(43.6)	(37.0)
Tata	3.7	3.7	3.8	3.8	3.9	3.9	3.8	3.9	3.9	3.9	3.9	3.9
yoy growth %	16.5	22.8	17.3	19.2	13.1	20.4	21.6	18.1	18.9	15.4	16.8	6.0
Akasa	0.6	0.6	0.6	0.6	0.7	0.6	0.6	0.6	0.6	0.6	0.7	0.7
yoy growth %	67.3	57.1	40.5	13.0	5.6	2.6	(3.0)	12.3	10.8	17.4	25.4	14.2
Others	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
yoy growth %	(52.7)	4.7	10.7	3.1	(9.9)	7.0	4.5	2.4	(1.6)	(5.5)	4.2	3.4

SOURCE: INCRED RESEARCH, COMPANY REPORTS, DIRECTORATE GENERAL OF CIVIL AVIATION

Figure 7: Recent fleet addition and traffic growth for Indian aviation companies: Over Nov 2023 to Jan 2025, Indian aviation companies' (ex-IndiGo) operating fleet rose by 14% and seats rose by 19%; this was more than the growth in RPK (domestic + international) over 3QFY24 to Sep-Nov 2024 of 6.2% (ex-IndiGo), indicating the supply of planes growing ahead of demand

	Nov 2023		Jan 2025		Growth %		RPK (m)		
	Planes	seats	Planes	seats	Planes	Seats	3QFY24	Sep-Nov 2024	Growth %
IndiGo	299	55,422	354	70,556	18.4	27.3	31,285	33,389	6.7
Tata	236	48,126	284	59,981	20.3	24.6	28,851	31,789	10.2
SpiceJet	37	6,203	23	3,776	(37.8)	(39.1)	3,399	1,762	(48.2)
Akasa	20	3,780	27	5,103	35.0	35.0	1,706	2,495	46.2
Total	592	1,13,531	688	1,39,416	16.2	22.8	65,241	69,434	6.4
Total ex-IndiGo	293	58,109	334	68,860	14.0	18.5	33,956	36,045	6.2

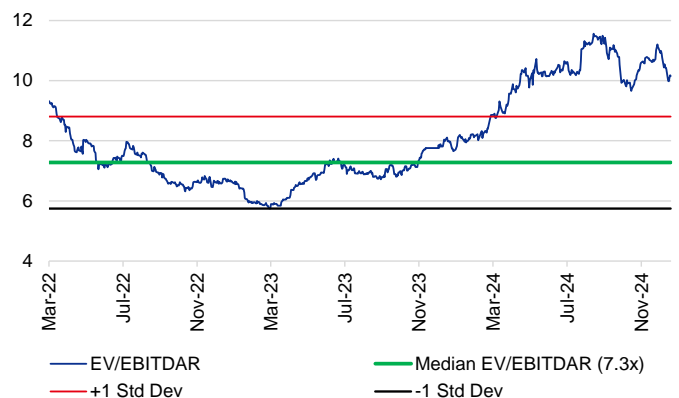
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: Our revised earnings estimates

(Rs bn)	FY25F		FY26F		FY27F
	Old	New	Old	New	
Sales	708.3	760.0	761.6	802.8	878.8
% change		7.3		5.4	
EBITDAR	187.1	220.2	190.5	228.6	250.0
% change		17.7		20.0	
EBITDA	130.4	152.7	127.5	163.2	177.2
% change		17.1		28.0	
Adj. PAT	19.3	28.7	29.0	33.5	35.3
% change		48.7		15.6	

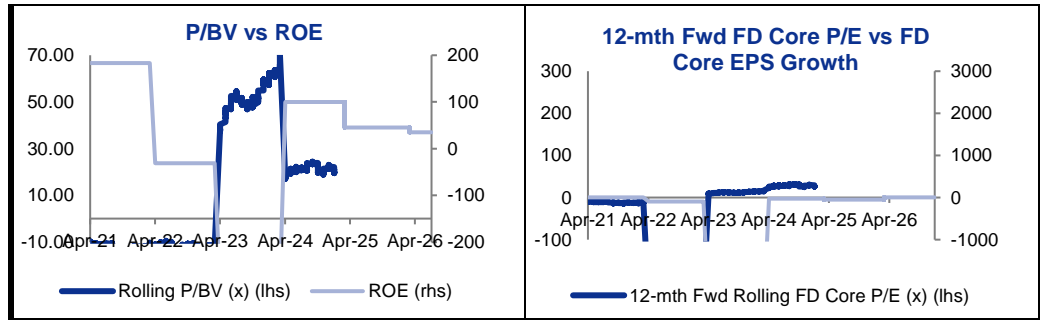
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 9: Over the last three years, IndiGo traded in a wide range of one-year forward EV/ EBITDAR; the median is 7.3x, it is currently trading at 10.3x FY26F EV/ EBITDAR (40% premium to the median)



SOURCE: INCRED RESEARCH, COMPANY REPORTS; BLOOMBERG

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Net Revenues	541,965	681,343	759,975	802,763	878,772
Gross Profit	305,504	442,298	501,325	538,715	590,960
Operating EBITDA	91,933	157,820	152,702	163,170	177,244
Depreciation And Amortisation	(51,012)	(64,056)	(84,283)	(81,763)	(89,122)
Operating EBIT	40,921	93,764	68,419	81,407	88,122
Financial Income/(Expense)	(31,317)	(41,694)	(50,210)	(48,709)	(53,093)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	9,746	13,321	31,000	10,000	10,000
Profit Before Tax (pre-EI)	19,350	65,392	49,209	42,698	45,030
Exceptional Items	(22,530)	15,039	13,767		
Pre-tax Profit	(3,180)	80,431	62,976	42,698	45,030
Taxation		1,242	(3,149)	(10,675)	(11,257)
Exceptional Income - post-tax					
Profit After Tax	(3,180)	81,674	59,827	32,024	33,772
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	(3,180)	81,674	59,827	32,024	33,772
Recurring Net Profit	19,350	66,635	46,748	32,024	33,772
Fully Diluted Recurring Net Profit	19,350	66,635	46,748	32,024	33,772

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
EBITDA	91,933	157,820	152,702	163,170	177,244
Cash Flow from Invt. & Assoc.					
Change In Working Capital	23,207	(18,374)	(1,072)	(1,086)	2,717
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow					
Net Interest (Paid)/Received	(31,317)	(41,694)	(50,210)	(48,709)	(53,093)
Tax Paid		1,242	(3,149)	(10,675)	(11,257)
Cashflow From Operations	83,823	98,996	98,271	102,700	115,611
Capex	(98,531)	(142,956)	(174,771)	(148,987)	(178,635)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments	(35,254)	(48,952)	(38,347)		
Other Investing Cashflow	9,746	12,079	30,162	8,994	8,793
Cash Flow From Investing	(124,039)	(179,828)	(182,957)	(139,993)	(169,843)
Debt Raised/(repaid)	79,763	64,258	114,074	56,419	61,496
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid					
Preferred Dividends					
Other Financing Cashflow	(37,226)	11,026			
Cash Flow From Financing	42,537	75,284	114,074	56,419	61,496
Total Cash Generated	2,321	(5,548)	29,388	19,126	7,265
Free Cashflow To Equity	39,548	(16,574)	29,388	19,126	7,265
Free Cashflow To Firm	(8,898)	(39,139)	(34,475)	11,416	(1,139)

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	118,372	181,804	206,077	239,246	261,817
Total Debtors	5,199	6,425	7,600	8,028	8,788
Inventories	5,911	6,248	7,600	8,028	8,788
Total Other Current Assets	66,391	96,130	106,397	112,387	123,028
Total Current Assets	195,872	290,607	327,673	367,688	402,421
Fixed Assets	276,477	359,887	450,276	517,381	606,753
Total Investments	115,580	164,532	202,879	202,879	202,879
Intangible Assets	314	494	592	711	853
Total Other Non-Current Assets	2,949	4,192	5,030	6,036	7,244
Total Non-current Assets	395,320	529,104	658,777	727,007	817,728
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors					
Other Current Liabilities	205,682	287,592	280,431	300,233	330,418
Total Current Liabilities	205,682	287,592	280,431	300,233	330,418
Total Long-term Debt	448,542	512,800	626,874	683,292	744,789
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
Total Non-current Liabilities	448,542	512,800	626,874	683,292	744,789
Total Provisions					
Total Liabilities	654,224	800,392	907,305	983,526	1,075,207
Shareholders Equity	(63,031)	19,319	79,146	111,170	144,942
Minority Interests					
Total Equity	(63,031)	19,319	79,146	111,170	144,942

Key Ratios

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue Growth	109.0%	25.7%	11.5%	5.6%	9.5%
Operating EBITDA Growth	524.9%	71.7%	(3.2%)	6.9%	8.6%
Operating EBITDA Margin	17.0%	23.2%	20.1%	20.3%	20.2%
Net Cash Per Share (Rs)	(856.37)	(857.55)	(1,090.21)	(1,150.44)	(1,251.29)
BVPS (Rs)	(163.49)	50.05	205.05	288.02	375.52
Gross Interest Cover	1.31	2.25	1.36	1.67	1.66
Effective Tax Rate			5.0%	25.0%	25.0%
Net Dividend Payout Ratio					
Accounts Receivables Days	2.87	3.11	3.37	3.55	3.49
Inventory Days	7.71	9.28	9.77	10.80	10.66
Accounts Payables Days					
ROIC (%)	32.2%	61.9%	36.8%	27.4%	25.0%
ROCE (%)	11.8%	20.4%	11.1%	10.9%	10.5%
Return On Average Assets	9.7%	15.2%	11.0%	8.8%	8.5%

Key Drivers

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Av. Seat Km (ASK, Yoy Chg %)	62.6%	21.8%	11.5%	9.0%	9.0%
Rev. Psg Km (RPK, Yoy Chg %)	81.5%	27.5%	10.8%	9.0%	9.0%
Passenger Load Factor (%)	82.1%	85.9%	85.4%	85.4%	85.4%
Pax yld per RPK	6,332.0	6,384.4	N/A	N/A	N/A
Pax rev. per ASK	4.7	4.9	4.9	4.7	4.8
Total Cost Per ATK	4.6	4.4	4.8	4.5	4.6
Fuel Cost Per ATK	2.1	1.7	1.7	1.6	1.6
Non-fuel Cost Per ATK	2.5	2.7	3.1	3.0	3.0
Fleet Size (no. Of Planes)	302	362	N/A	N/A	N/A

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.