

India

REDUCE (no change)

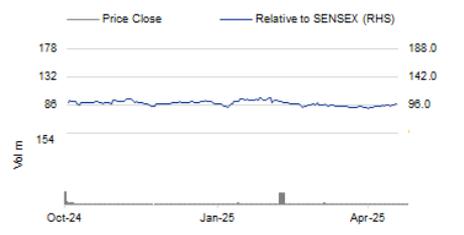
Consensus ratings*: Buy 18 Hold 1 Sell 2

Current price:	Rs1,856
Target price:	Rs1,612 ▲
Previous target:	Rs1,414
Up/downside:	-13.1%
InCred Research / Consensus:	-13.1%
Reuters:	
Bloomberg:	HYUNDAI IN
Market cap:	US\$17,631m Rs1,507,751m
Average daily turnover:	US\$29.6m Rs2532.4m
Current shares o/s:	812.5m
Free float:	17.5%

*Source: Bloomberg

Key changes in this note

- Sales volume cut by 1% for FY26F-27F.
- FY26F-27F PAT cut by 4-6%.



Price performance	1M	3M	12M
Absolute (%)	13.4	2.7	0.0
Relative (%)	8.2	(5.2)	0.0

Major shareholders	% held
Hyundai Motors Company	82.5
Capital Group	0.5
GIC	0.3

Research Analyst(s)

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

Ravi GUPTA
T (91) 22 4161 1552
E ravi.gupta@incredresearch.com

Hyundai Motor India

Seasonal one-offs aid 4Q performance

- 4Q EPS growth of 39% qoq to Rs19.9 is impressive vs. Bloomberg consensus estimate, aided by government incentive and a rise in seasonal inventory.
- Hyundai's underperformance in recent months in the SUV segment & its associate firm Kia's volume growth led to our FY26F-27F EPS cut of 4-6%.
- Maintain REDUCE rating, rolling forward our P/E-based TP to Rs1,612.

Government incentive and inventory rise help in 4Q beat

Hyundai Motor India or Hyundai's 4QFY25 EBITDA rose by 35% qoq but remained flat yoy at Rs25.3bn, a sharp beat vs. our (25%)/Bloomberg consensus estimates. Lumpy government incentive benefit of Rs1bn from state incentive and clean energy incentive, coupled with a seasonal increase in inventory (1.5% of sales), aided the EBITDA margin expansion of 290bp qoq to 14.1%. Lower other income (-37% yoy) and depreciation (-5% yoy), led to a 4% yoy dip in PAT to Rs16.1bn, beating our estimate (14%) and Bloomberg consensus estimate (21%). FY25 DPS of Rs21, is a payout of just 30%, which is dismal.

Management conference-call highlights

Management indicates that the new plant in Pune will start operations in 3QFY26F, where it plans to produce sports utility vehicles or SUVs initially. Management gave guidance of a 7% growth in exports, in line with domestic industry growth outlook of 2% for FY26F. Considering the new plant ramp-up challenges initially, it expects profitability to be under pressure in 2HFY26F. Management attributes 5% qoq ASP hike to easing discounts, improvement in product mix and Jan 2025 vehicle price hike. Management indicates that Creta EV is already EBITDA positive, excluding its launch and digital promotion expenses.

EPS cut by 4-6% for FY26-27F

Considering the sharp underperformance of Hyundai in both SUV segment (Fig. 9) and its group company Kia volume (Fig.10) in recent months, we have cut sales volume by 1% for FY26F-27F. The EBITDA margin recovery, aided by incentive in 4Q (Fig. 4), we feel, is not sustainable, leading to our 10bp cut in the EBITDA margin for FY26F-27F. Considering the lumpy capex (five-fold jump yoy) to Rs70bn in FY26F into depreciation, we have cut PAT by 4-6%.

Tepid EPS growth overlooked by rich valuation; maintain REDUCE

We feel the new plant will focus on regaining market share at the cost of short-term profitability. We have built in just an 8% EPS CAGR over FY26F-28F vs. a rich P/E of 25x for the FY26F-27F period. Hyundai's P/E valuation is close to a 10% premium to Maruti Suzuki, which, we feel, is difficult to sustain, considering its recent underperformance on both domestic and export volume momentum fronts. We peg one-year forward P/E of 21x, leading to a target price of Rs1,612 (Rs1,414 earlier) and maintain REDUCE rating on the stock. Upside risk: New product success driving better volume growth and profitability.

Financial Summary

	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Revenue (Rsm)	698,291	691,929	742,793	833,691	958,755
Operating EBITDA (Rsm)	91,326	89,538	94,216	102,523	119,462
Net Profit (Rsm)	60,600	56,402	58,163	61,129	70,690
Core EPS (Rs)	74.6	69.4	71.6	75.2	87.0
Core EPS Growth	28.7%	(6.9%)	3.1%	5.1%	15.6%
FD Core P/E (x)	24.88	26.73	25.92	24.66	21.33
DPS (Rs)	190.0	20.8	25.1	30.1	34.8
Dividend Yield	10.24%	1.12%	1.35%	1.62%	1.88%
EV/EBITDA (x)	15.66	16.02	15.48	14.21	11.96
P/FCFE (x)	21.96	(370.50)	(474.69)	64.68	16.86
Net Gearing	(73.1%)	(44.9%)	(24.4%)	(21.3%)	(28.0%)
P/BV (x)	14.14	9.25	7.51	6.35	5.39
ROE	39.5%	41.8%	32.0%	27.9%	27.3%
% Change In Core EPS Estimates			(3.55%)	(5.46%)	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Seasonal one-offs aid 4Q performance

Management conference-call highlights >

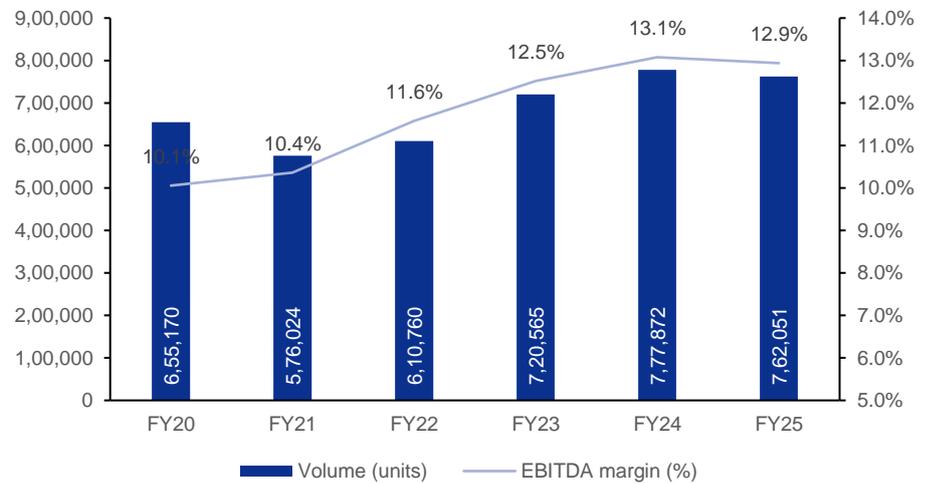
- **Outlook:** Aims to grow in line with the domestic industry and expects export growth of 7-8% in FY26F. Management remains cautiously optimistic amid global trade uncertainties and softness in domestic demand. However, supportive measures like the Reserve Bank of India or RBI's rate cuts and government tax relief are expected to boost consumer sentiment.
- **Margin:** Despite potential near-term pressure from low initial utilization at the Pune plant, the company is confident of maintaining double-digit EBITDA margin through optimized operations, a favourable product mix, and cost management.
- **Financial performance:** In FY25, revenue declined marginally by 0.9% yoy, impacted by challenging market conditions and demand moderation in urban markets.
- **Challenges:** Cautious optimism due to global trade uncertainties and domestic demand softness, mitigated by RBI rate cuts and tax relief.
- **New plant:** Set to commence operations at its third plant at Talegaon, Pune, in 3QFY26F, which will support both ICE vehicle and EV production.
- **Capex:** Planned a capex of Rs70bn in FY26F, with 40% directed towards the Pune plant expansion and 25% for product-related investments.
- **Product launches:** Announced the launch of 26 products by FY30F, comprising 20 ICE models and 6 EVs, including new models, full model changes, and enhancements. Eight of these launches are scheduled for FY26F and FY27F. Additionally, it introduced eco-friendly powertrains, such as hybrids.
- **EV strategy:** For the Creta Electric model, the company has localized battery pack assembly and is working on battery cell localization to enhance cost efficiency and margin in the EV segment. The Creta Electric was introduced in Nepal.
- **Export outlook:** Aims at 7-8% export growth in FY26F, supported by good demand in emerging markets like the Middle East, Africa, South Asia, and Latin America. With the Pune plant increasing its capacity to 1.1m units by 2028F, the company targets 30% export share by 2030F.
- **Premiumization:** Aligned with the 'Make in India' initiative, the company has localized over 1,200 components in the past five years. The Pune plant will further deepen localized supplier networks.
- **Localization:** Localized over 1,200 components in the last five years, aligning with the 'Make in India' initiative.
- **Rural expansion:** Strengthened its rural presence to tap high-potential markets for sales and service.
- **Fuel mix:** The introduction of dual-cylinder technology boosted CNG vehicle penetration to 13.2% in FY25 from 11.5% in FY24. The launch of Creta Electric increased EV share to nearly 1% of the fuel mix.
- **Pricing and discounts:** In 4QFY25, the company reduced domestic discount from 2.6% to 2% and implemented a 0.6% price increase in Jan 2025, leading to ASP growth of 5% qoq.
- **Model-wise launches:** The Exter was launched in South Africa, introduced the Venue in Indonesia and Yemen, and restarted exports to Bhutan.
- **Government incentives:** In 4QFY25, received Rs1bn in Tamil Nadu government incentives, including Rs25m clean energy vehicle subsidy and Rs750m capital subsidy.

Figure 1: Results comparison

Y/E Mar (Rs m)	4QFY25	4QFY24	yoy % chg	3QFY25	qoq % chg	FY25	FY24	yoy % chg	Comments
Revenue	1,79,403	1,76,711	1.5	1,66,480	7.8	6,91,929	6,98,291	(0.9)	5% above our estimate.
Raw material costs	1,27,858	1,26,369	1.2	1,21,838	4.9	4,99,703.9	5,15,929.4	(3.1)	
RM costs as a % of revenue	71.3	71.5	(24.2)	73.2	(191.6)	72.2	73.9	(166.6)	206bp above our estimate.
EBITDA	25,327	25,218	0.4	18,755	35.0	89,538	91,326	(2.0)	25% above our estimate.
<i>EBITDA margin (%)</i>	<i>14.1</i>	<i>14.3</i>	<i>(15.4)</i>	<i>11.3</i>	<i>285.1</i>	<i>12.9</i>	<i>13.1</i>	<i>(13.8)</i>	227bp above our estimate.
Depreciation & amortization	5,304	5,578	(4.9)	5,274	0.6	21,053	22,079	(4.7)	6% below our estimate.
EBIT	20,023	19,640	2.0	13,482	48.5	68,485	69,247	(1.1)	-
Interest expenses	365	375	(2.6)	299	22.1	1,272	1,581	(19.5)	25% above our estimate.
Other income	2,096	3,331	(37.1)	2,445	(14.3)	8,700	14,733	(40.9)	43% below our estimate.
Pre-tax profit	21,754	22,596	(3.7)	15,627	39.2	75,913	82,399	(7.9)	
Tax	5,611	5,824	(3.7)	4,020	39.6	19,511	21,798	(10.5)	
Tax rate (%)	25.8	25.8	1.5	25.7	7	25.7	26.5	(75)	-
Normalized net profit	16,143	16,772	(3.7)	11,607	39.1	56,402	60,600	(6.9)	14% above our estimate.
Exceptional items	-	-	-	-	-	-	-	-	
Reported net profit	16,143	16,772	(3.7)	11,607	39.1	56,402	60,600	(6.9)	
Normalized EPS (Rs)	19.9	20.6	(3.7)	14.3	39.1	69.4	74.6	(6.9)	22% below our estimate.
Volume (nos)	102	102	-	102	-	102	102	-	
Net realization (Rs)	1,91,649	1,93,713	(1.1)	1,86,408	2.8	7,62,051	7,77,872	(2.0)	3% above our estimate.
EBITDA/vehicle	9,36,101	9,12,233	2.6	8,93,094	4.8	9,07,982	8,97,693	1.1	

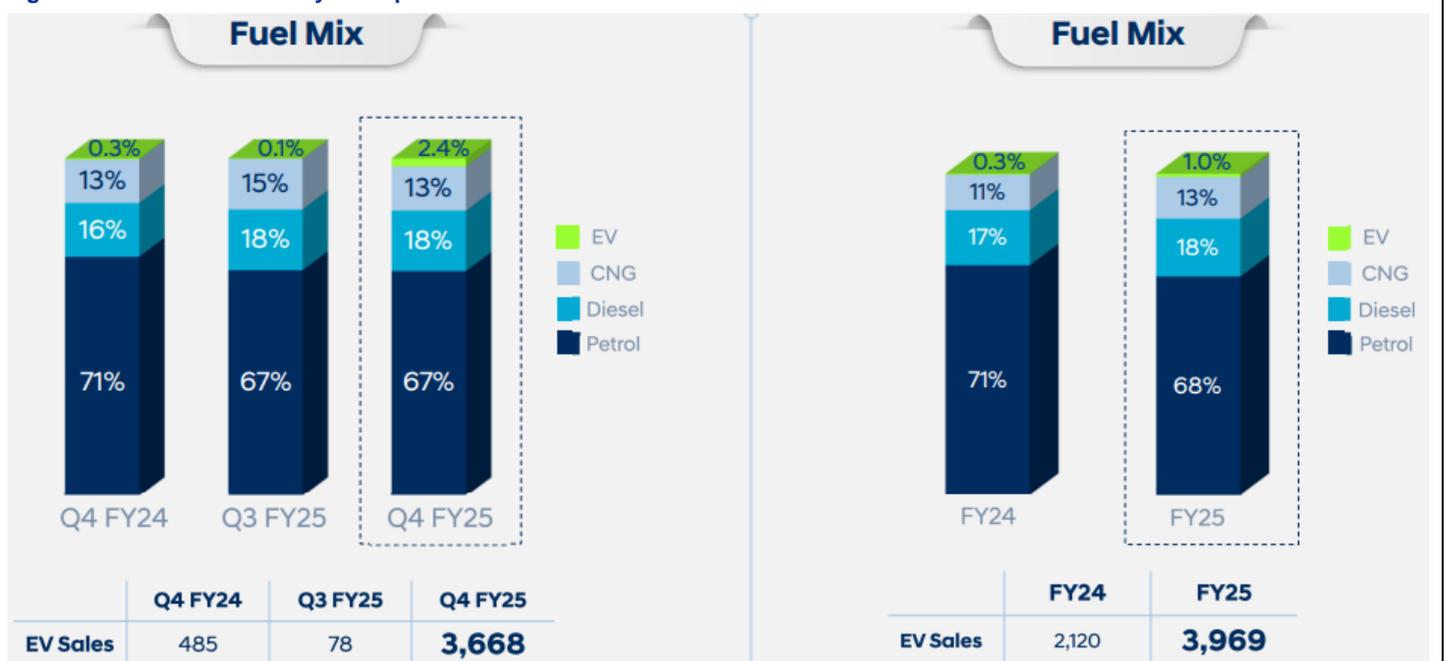
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: EBITDA margin eases from its recent peak



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Fuel mix trend of Hyundai portfolio



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Material cost reduction and government incentives mainly supported PBT qoq growth (Rs m)



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: However, PBT for the full year moderated due to ASP discounts (Rs m)



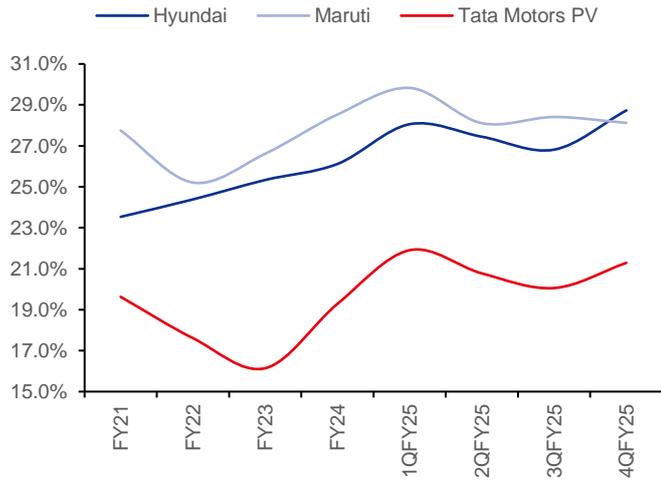
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: Other key matrices

Particulars	Q4 FY24	Q3 FY25	Q4 FY25	FY23	FY24	FY25
Revenue from Operations (In ₹Mn)	176,711	166,480	179,403	603,076	698,291	691,929
Domestic %	81.6%	77.8%	79.8%	76.6%	77.7%	78.0%
Exports %	18.4%	22.2%	20.2%	23.4%	22.3%	22.0%
Net Worth (In ₹Mn)	106,657	146,880	162,965	200,548	106,657	162,965
ROCE %	17.2%	9.2%	11.8%	28.7%	62.9%	41.0%
Basic EPS (₹)	20.64	14.29	19.87	57.96	74.58	69.41
Diluted EPS (₹)	20.64	14.29	19.87	57.96	74.58	69.41
Total Sales Volume	193,717	186,408	191,650	720,565	777,876	762,052
Domestic	160,317	146,022	153,550	567,546	614,721	598,666
Exports	33,400	40,386	38,100	153,019	163,155	163,386
Sales Outlets	1,363	1,366	1,419	1,336	1,363	1,419
Service Outlets	1,549	1,611	1,606	1,498	1,549	1,606

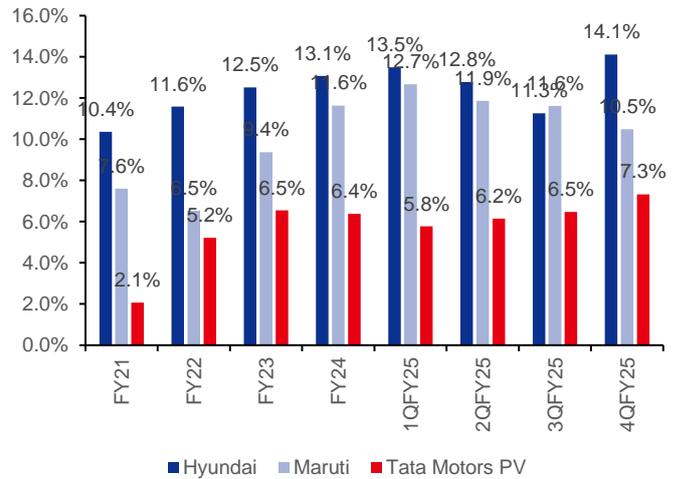
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 7: Whether Hyundai's gross margin improvement can sustain?



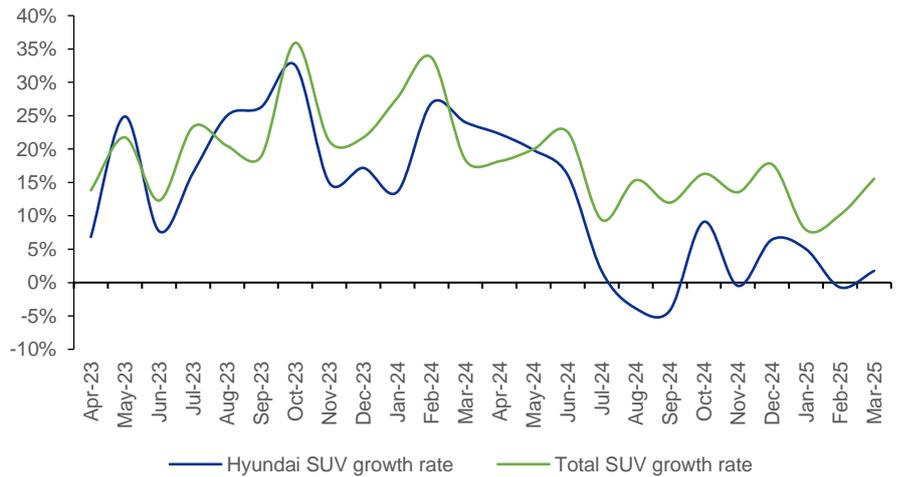
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: Incentives help Hyundai to gain EBITDA margin lead



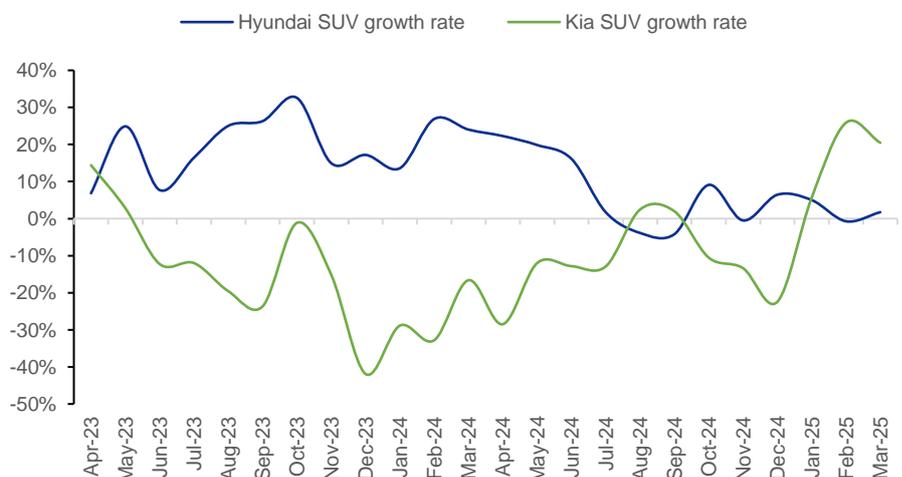
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 9: Hyundai lags SUV segment growth sharply in recent months



SOURCE: SIAM, INCRED RESEARCH, COMPANY REPORTS

Figure 10: Kia's newly launched model Syros helped volume growth



SOURCE: SIAM, INCRED RESEARCH, COMPANY REPORTS

Figure 11: EPS revision summary

Rs m	FY26F		FY27F	
	Old	New	Old	New
Sales volume (nos)	8,03,357	7,94,167	8,65,912	8,58,336
Change (%)		-1.1%		-0.9%
Net sales (Rs.m)	7,42,727	7,42,793	8,30,771	8,33,691
Change (%)		0.0%		0.4%
EBITDA (Rs.m)	95,099	94,216	1,03,086	1,02,523
Change (%)		-0.9%		-0.5%
EBITDA margin	12.8%	12.7%	12.4%	12.3%
Bps		(12)		(11)
PAT (Rs.m)	60,306	58,163	64,658	61,129
Change (%)		-3.6%		-5.5%
EPS (Rs.)	74.2	71.6	79.6	75.2
Change (%)		-3.6%		-5.5%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 12: Key assumptions

Particulars	FY23	FY24	FY25	FY26F	FY27F	FY28F
Domestic sales volume	5,67,492	6,14,709	5,98,665	6,22,612	6,66,194	7,32,814
Growth (%)	17.9%	8.3%	-2.6%	4.0%	7.0%	10.0%
Export sales volume	1,53,019	1,63,155	1,63,386	1,71,555	1,92,142	2,30,570
Growth (%)	18.4%	6.6%	0.1%	5.0%	12.0%	20.0%
Total sales volume	7,20,511	7,77,864	7,62,051	7,94,167	8,58,336	9,63,384
Growth (%)	18.0%	8.0%	-2.0%	4.2%	8.1%	12.2%
Domestic ASP per vehicle (Rs)	7,06,583	7,54,000	7,46,460	7,61,389	7,91,845	8,15,600
Growth (%)	5.8%	6.7%	-1.0%	2.0%	4.0%	3.0%
Export ASP per vehicle (Rs)	7,95,517	8,32,000	8,48,640	8,74,099	9,00,322	9,18,329
Growth (%)	17.7%	4.6%	2.0%	3.0%	3.0%	2.0%
Contribution per vehicle (Rs)	2,12,023	2,34,436	2,52,247	2,58,146	2,67,104	2,71,688
Growth (%)	12.1%	10.6%	7.6%	2.3%	3.5%	1.7%
EBITDA per vehicle (Rs)	1,04,762	1,17,405	1,17,496	1,18,635	1,19,444	1,24,003
Growth (%)	16.6%	12.1%	0.1%	1.0%	0.7%	3.8%
EBITDA margin (%)	12.5%	13.1%	12.9%	12.7%	12.3%	12.5%

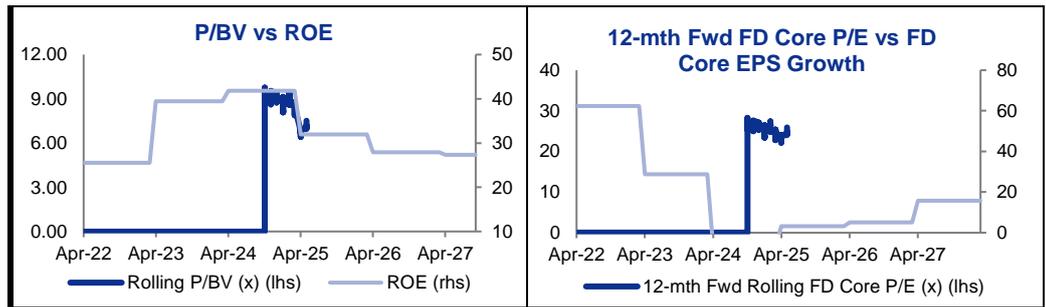
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 13: Our valuation methodology

	1-year forward
EPS (Rs) (1-year forward)	76.7
P/E(x)	21.0
Target Price (Rs)	1,612

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Total Net Revenues	698,291	691,929	742,793	833,691	958,755
Gross Profit	182,361	192,225	205,011	229,265	261,740
Operating EBITDA	91,326	89,538	94,216	102,523	119,462
Depreciation And Amortisation	(22,079)	(21,053)	(24,210)	(29,779)	(35,139)
Operating EBIT	69,247	68,485	70,005	72,744	84,323
Financial Income/(Expense)	13,152	7,428	8,171	9,419	10,691
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	82,399	75,913	78,176	82,163	95,014
Exceptional Items					
Pre-tax Profit	82,399	75,913	78,176	82,163	95,014
Taxation	(21,798)	(19,511)	(20,013)	(21,034)	(24,324)
Exceptional Income - post-tax					
Profit After Tax	60,600	56,402	58,163	61,129	70,690
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	60,600	56,402	58,163	61,129	70,690
Recurring Net Profit	60,600	56,402	58,163	61,129	70,690
Fully Diluted Recurring Net Profit	60,600	56,402	58,163	61,129	70,690

Cash Flow

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
EBITDA	91,326	89,538	94,216	102,523	119,462
Cash Flow from Invt. & Assoc.					
Change In Working Capital	5,462	(3,747)	(12,927)		
(Incr)/Decr in Total Provisions	12,390	(17,812)	3,170	8,894	
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	659		(900)	(100)	
Net Interest (Paid)/Received	13,152	7,428	8,171	9,419	10,691
Tax Paid	(21,798)	(19,511)	(20,013)	(21,034)	(24,324)
Cashflow From Operations	101,191	55,896	71,716	99,702	105,830
Capex	(29,881)	(56,615)	(70,000)	(60,000)	
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(2,663)	(3,351)	(4,892)	(16,392)	(16,392)
Cash Flow From Investing	(32,545)	(59,965)	(74,892)	(76,392)	(16,392)
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(154,358)	(16,921)	(20,357)	(24,452)	(28,276)
Preferred Dividends					
Other Financing Cashflow	(12,683)	17,107	(1,589)	(774)	(74)
Cash Flow From Financing	(167,042)	187	(21,946)	(25,226)	(28,350)
Total Cash Generated	(98,395)	(3,883)	(25,122)	(1,915)	61,087
Free Cashflow To Equity	68,647	(4,069)	(3,176)	23,310	89,438
Free Cashflow To Firm	70,227	(2,797)	(1,776)	24,610	90,538

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Total Cash And Equivalents	90,173	85,792	60,137	57,687	81,579
Total Debtors	25,100	23,891	30,526	34,261	36,774
Inventories	33,156	34,044	40,701	43,398	47,281
Total Other Current Assets	9,371	12,024	14,127	15,549	17,004
Total Current Assets	157,801	155,751	145,490	150,896	182,638
Fixed Assets	82,673	118,235	164,024	194,245	209,106
Total Investments	6,654	10,202	14,202	27,202	40,202
Intangible Assets					
Total Other Non-Current Assets	16,364	16,786	18,300	19,000	19,000
Total Non-current Assets	105,691	145,223	196,526	240,447	268,308
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	74,931	70,862	71,227	77,659	89,309
Other Current Liabilities	56,699	40,824	43,825	52,534	60,415
Total Current Liabilities	131,629	111,686	115,052	130,193	149,723
Total Long-term Debt	12,211	12,612	11,112	7,112	3,112
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
Total Non-current Liabilities	12,211	12,612	11,112	7,112	3,112
Total Provisions	29,360	30,497	33,382	35,590	37,249
Total Liabilities	173,200	154,795	159,546	172,895	190,084
Shareholders Equity	106,657	162,965	200,771	237,448	279,862
Minority Interests					
Total Equity	106,657	162,965	200,771	237,448	279,862

Key Ratios					
	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Revenue Growth	15.8%	(0.9%)	7.4%	12.2%	15.0%
Operating EBITDA Growth	21.0%	(2.0%)	5.2%	8.8%	16.5%
Operating EBITDA Margin	13.1%	12.9%	12.7%	12.3%	12.5%
Net Cash Per Share (Rs)	95.95	90.06	60.34	62.24	96.57
BVPS (Rs)	131.26	200.56	247.09	292.23	344.43
Gross Interest Cover	43.81	53.84	50.00	55.96	76.66
Effective Tax Rate	26.5%	25.7%	25.6%	25.6%	25.6%
Net Dividend Payout Ratio	254.7%	30.0%	35.0%	40.0%	40.0%
Accounts Receivables Days	14.13	12.92	13.37	14.18	13.52
Inventory Days	23.83	24.54	25.37	25.39	23.74
Accounts Payables Days	52.83	53.25	48.22	44.95	43.72
ROIC (%)	105.5%	129.2%	49.6%	31.5%	31.6%
ROCE (%)	46.0%	47.1%	37.7%	33.8%	34.0%
Return On Average Assets	17.0%	18.2%	16.4%	15.0%	15.1%

Key Drivers					
	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
ASP (% chg, main prod./serv.)	7.3%	1.1%	3.0%	3.8%	2.5%
Unit sales grth (%, main prod./serv.)	8.0%	(2.0%)	4.2%	8.1%	12.2%

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, IRSPIL 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.

IRSPIL 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.

IRSPIL 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 certificated, 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.