

## India

**REDUCE** (no change)

Consensus ratings\*: Buy 9 Hold 10 Sell 20

Current price: Rs2,402  
 Target price: ▲ Rs2,220  
 Previous target: Rs2,160  
 Up/downside: -7.6%  
 InCred Research / Consensus: -5.8%

Reuters: ASPN.NS  
 Bloomberg: APNT IN  
 Market cap: US\$26,532m  
 Rs2,303,514m  
 Average daily turnover: US\$33.4m  
 Rs2898.9m  
 Current shares o/s: 959.2m  
 Free float: 47.4%  
 \*Source: Bloomberg

**Key changes in this note**

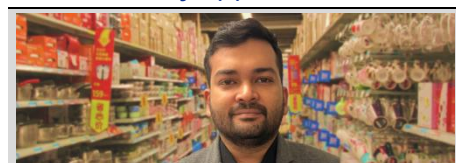
- Raise the target price to Rs2,220 from Rs2,160 earlier.
- Introduce FY28F estimates.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	1.8	(2.0)	(18.7)
Relative (%)	4.7	(3.3)	(18.6)

Major shareholders	% held
Promoter and Promoter Group	52.6
LIC	8.5
SBI MF	5.4

**Research Analyst(s)****Rohan KALLE**

T (91) 22 4161 1561  
 E rohan.kalle@incredresearch.com

**Nishant BAGRECHA**

T (91) 22 4161 1564  
 E nishant.bagrecha@incredresearch.com

**Asian Paints Limited****Outlook remains subdued**

- Consolidated/standalone sales declined by 0.3%/1.3% yoy, respectively, in 1Q. Decorative biz volume growth was at 3.9% led by mass & economy segments.
- Benefits of raw material deflation are likely to be offset by anti-dumping duty on Tio2. Margins are expected to remain range bound in the near term.
- The elevated competitive intensity is likely to continue weighing on sales growth & margin. Retain REDUCE with a TP of Rs2,220 (44x Jun 2027F EPS).

**Volume growth at 3.9% led by mass and economy segments**

Asian Paints' (APNT) 1QFY26 consolidated revenue was flat yoy at Rs89.4bn, in line with our estimate. Volume growth came in at 3.9% (4.2% including the industrial segment), with standalone sales declining by 1.3% yoy. The paint industry saw a slight uptick during the quarter, with a marginal improvement in demand in urban markets, despite monsoons slowing down the momentum in Jun 2025. Domestic decorative paint volume fared better compared to the last few quarters; however, the mix was in favour of categories like economy emulsions, waterproofing, exterior textures, and wood finishes. The luxury range did not fare well during the quarter. Region-wise, the northwest and eastern parts of India performed better, while South India remained weak. Industrial coatings posted 8.8% yoy sales growth led by better performance in automotive and protective coatings. AP-PPG sales grew by 4.8% yoy, with PBT margin contracting 210bp yoy to 8.1%, while PPG-AP saw sales growth of 11.1% yoy, with PBT margin contracting 225bp yoy to 16.9%. Home décor business continued to remain subdued, with bath fittings & kitchen segments declining 5.1%/2.3% yoy, respectively, while White Teak & Weatherseal declined by 31.9% yoy during 1Q. International business was up 8.4% yoy led by the Middle East/Asia regions.

**Demand believed to have bottomed out; margin pressure to sustain**

Management's guidance pointed towards demand conditions having bottomed out and a gradual recovery is expected, with the high competitive pressure likely to sustain in the industry. The impact of anti-dumping duty on titanium dioxide or Tio2 could increase raw material costs by 1.5%-2.5% going ahead, which has not impacted Asian Paints yet. During the quarter, there was raw material deflation of 1%. To respond to competitive intensity, the company has focused more on innovation & brand-building, and views the extra quantity offered by competitors more as a discount that benefits intermediaries rather than end-consumers. The outlook on industrial business & projects business remains positive.

**Retain REDUCE rating with a target price of Rs2,220**

The Indian paint industry is grappling with a weak overall demand environment for decorative paints, coupled with intense competition from the newest entrant, Birla Opus, which has made notable distribution strides and disrupted the market share equilibrium for the incumbents. We maintain our REDUCE rating on Asian Paints with a higher target price of Rs2,220 or 44x Jun 2027F EPS (Rs2,160 earlier) as we roll forward. Upside risks: Faster-than-expected recovery in volume and sales growth in the decorative paint segment.

Financial Summary	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Revenue (Rsm)	354,947	339,056	354,756	385,154	418,440
Operating EBITDA (Rsm)	75,850	60,062	64,316	70,156	76,229
Net Profit (Rsm)	54,602	36,672	42,840	47,205	51,967
Core EPS (Rs)	56.9	41.0	44.7	49.2	54.2
Core EPS Growth	31.8%	(28.1%)	9.1%	10.2%	10.1%
FD Core P/E (x)	42.19	62.81	53.77	48.80	44.33
DPS (Rs)	32.0	23.8	23.9	25.9	28.2
Dividend Yield	1.33%	0.99%	0.99%	1.08%	1.17%
EV/EBITDA (x)	30.22	38.17	35.65	32.59	29.91
P/FCFE (x)	80.40	86.43	96.03	71.30	67.82
Net Gearing	(9.3%)	(8.7%)	(8.1%)	(10.3%)	(11.7%)
P/BV (x)	12.30	11.87	10.86	9.91	9.02
ROE	31.5%	20.6%	21.1%	21.2%	21.3%
% Change In Core EPS Estimates			0.08%	0.15%	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## Outlook remains subdued

### Key highlights from the 1QFY26 earnings call

#### Decorative business ➤

- Decorative business volume grew by 3.9% (4.2% including the industrial segment).
- April and May 2025 sales were healthy; however, the early onset of monsoons impacted the momentum in Jun 2025. In terms of mix, economy emulsions, waterproofing, exterior textures and wood finishes saw better traction during the quarter, while the luxury-end saw some downtrading. The premium-end fared relatively well. New products have been launched at the luxury-end to drive growth.
- Region-wise, the northwest and eastern parts of India fared better, while South India was weak.
- Rebating intensity was high during this quarter as well.
- Projects business saw some declaration in the segments covering co-operative housing societies and factories, while builder and government segments fared better.
- The painting services business is doing well. The home décor segment continues to remain subdued.
- New products' share in the decorative segment's sales stood at 14%.
- Backward integration projects are on track and are expected to be operational from 1QFY27F.

#### Industrial segment ➤

- PPG-AP (auto OEM) business posted 11% sales growth while the PBT margin contracted 225bp yoy to 16.9%.
- PPG-AP (protective coatings, road-marking paints, etc.) posted 4.8% yoy sales growth, with a 210bp yoy contraction in the PBT margin to 8.1%.

#### Outlook ➤

- Margins are expected to remain range-bound in the near term. Asian Paints will look towards formulations and sourcing efficiency to drive cost savings.
- Management called out green shoots in urban markets, which were dampened by the early onset of monsoons. Rural demand is expected to remain healthy led by normal monsoon outlook.
- The anti-dumping duty on Tio2 can drag margin by 1.5%-2.5% and may negate the benefits of the deflationary trend in raw materials (1% deflation in 1Q).
- Management views the extra volume offered by the newest entrant, Birla Opus, as something more lucrative for the intermediaries as opposed to end-customers. Asian Paints has stepped up its regional focus and will tailor different strategies for different markets to revive growth, supported by revamped packaging, higher brand visibility, and new product launches.
- Rs7bn capex outlay planned for FY26F, of which Rs1bn has been incurred.
- Management expects single-digit value/volume growth in FY26F.

Figure 1: Quarterly results summary – consolidated

Y/E Mar (Rs m)	1QFY25	4QFY25	1QFY26	YoY (%)	QoQ (%)	FY24	FY25	(%)
Revenue	89,697	83,589	89,386	-0.3	6.9	3,54,947	3,39,056	-4.5
Expenditure	72,760	69,227	73,136	0.5	5.6	2,79,505	2,78,994	-0.2
Consumption of RM	51,546	46,865	51,231	-0.6	9.3	2,00,902	1,95,158	-2.9
as % of sales	57.5	56.1	57.3			56.6	57.6	
Employee costs	6,742	6,315	7,030	4.3	11.3	23,669	25,972	9.7
as % of sales	7.5	7.6	7.9			6.7	7.7	
Other expenditure	14,472	16,047	14,876	2.8	-7.3	54,934	57,864	5.3
as % of sales	16.1	19.2	16.6			15.5	17.1	
EBITDA	16,938	14,362	16,250	-4.1	13.1	75,443	60,062	-20.4
Depreciation	2,277	3,011	3,009	32.1	-0.1	8,530	10,263	20.3
EBIT	14,661	11,351	13,241	-9.7	16.7	66,913	49,799	-25.6
Other income	1,562	999	1,928	23.4	93.1	6,880	5,726	-16.8
Interest	554	528	445	-19.6	-15.7	2,052	2,270	10.6
PBT	15,669	11,822	14,724	-6.0	24.6	71,741	53,255	-25.8
Total tax	4,168	3,214	3,917	-6.0	21.9	17,901	13,934	-22.2
PAT	11,501	8,607	10,807	-6.0	25.6	53,840	39,321	-27.0
Minority interest	-199	-144	-190	-4.4	32.7	-355	-982	176.4
Adjusted net profit	11,700	8,751	10,998	-6.0	25.7	54,195	40,303	-25.6
Extraordinary items	0	1,823	0	NA	-100.0	-407	3,624	-990.4
Reported net profit	11,700	6,928	10,998	-6.0	58.7	54,602	36,679	-32.8
Adjusted EPS	12.2	9.1	11.5	-6.0	25.7	56.5	42.0	-25.6
Margins (%)	1QFY25	4QFY25	1QFY26	YoY (bp)	QoQ (bp)	FY24	FY25	(bp)
Gross Margin	42.5	43.9	42.7	20	-120	43.4	42.4	-100
EBITDA	18.9	17.2	18.2	-70	100	21.3	17.7	-350
EBIT	16.3	13.6	14.8	-150	120	18.9	14.7	-420
EBT	17.5	14.1	16.5	-100	230	20.2	15.7	-450
PAT	12.8	10.3	12.1	-70	180	15.2	11.6	-360
Effective tax rate	26.6	27.2	26.6	0	-60	25.0	26.2	120

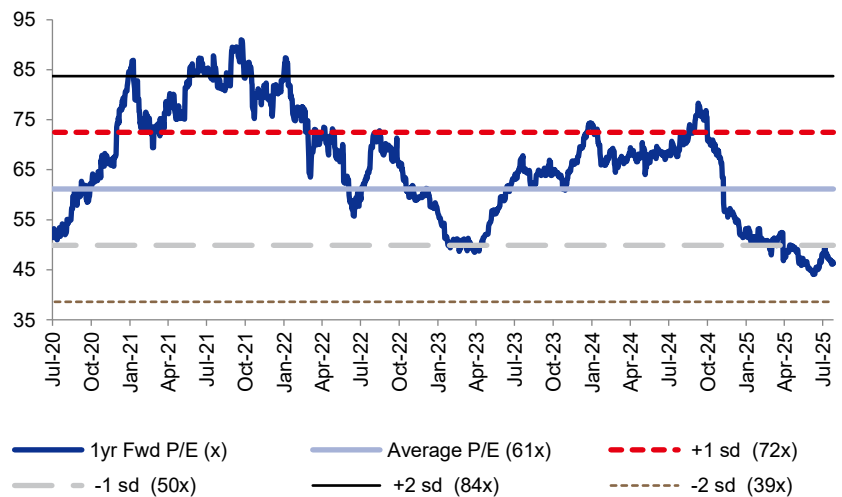
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: Our revised earnings estimates

Y/E Mar (Rs m)	Earlier	FY26F Revised	% Change	Earlier	FY27F Revised	% Change	FY28F Introduced
Revenue	3,54,756	3,54,756	-	3,85,153	3,85,153	-	4,18,440
EBITDA	64,316	64,316	-	70,156	70,156	-	76,229
EBITDA Margin (%)	18.1	18.1	0bp	18.2	18.2	0bp	18.2
Net Profit	42,840	42,840	-	47,205	47,205	-	51,967
EPS	44.7	44.7	-	49.2	49.2	-	54.2

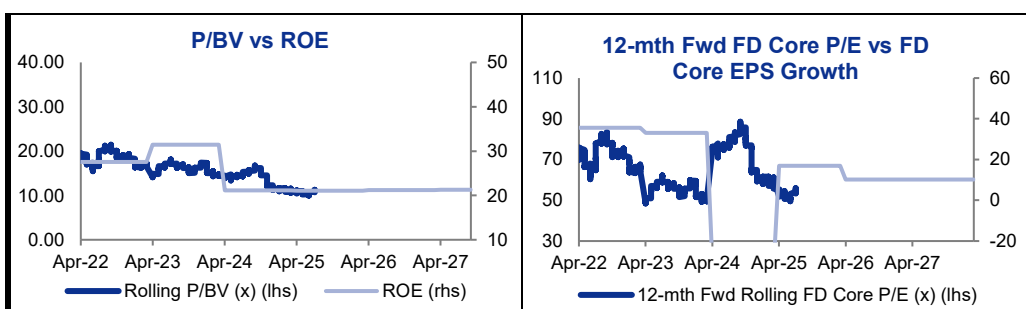
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: One-year forward P/E trades below the -1SD level



SOURCE: INCRED RESEARCH, COMPANY REPORTS

## BY THE NUMBERS



### Profit & Loss

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
<b>Total Net Revenues</b>	<b>354,947</b>	<b>339,056</b>	<b>354,756</b>	<b>385,154</b>	<b>418,440</b>
<b>Gross Profit</b>	<b>154,045</b>	<b>143,898</b>	<b>150,826</b>	<b>164,228</b>	<b>178,594</b>
<b>Operating EBITDA</b>	<b>75,850</b>	<b>60,062</b>	<b>64,316</b>	<b>70,156</b>	<b>76,229</b>
Depreciation And Amortisation	(8,530)	(10,263)	(11,937)	(12,323)	(12,405)
<b>Operating EBIT</b>	<b>67,320</b>	<b>49,799</b>	<b>52,379</b>	<b>57,832</b>	<b>63,824</b>
Financial Income/(Expense)	4,828	3,456	3,458	3,881	4,217
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)					
<b>Profit Before Tax (pre-EI)</b>	<b>72,148</b>	<b>53,255</b>	<b>55,837</b>	<b>61,713</b>	<b>68,040</b>
Exceptional Items		(3,631)			
<b>Pre-tax Profit</b>	<b>72,148</b>	<b>49,624</b>	<b>55,837</b>	<b>61,713</b>	<b>68,040</b>
Taxation	(17,901)	(13,934)	(13,797)	(15,509)	(17,074)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>54,247</b>	<b>35,690</b>	<b>42,040</b>	<b>46,205</b>	<b>50,967</b>
Minority Interests	355	982	800	1,000	1,000
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>54,602</b>	<b>36,672</b>	<b>42,840</b>	<b>47,205</b>	<b>51,967</b>
Recurring Net Profit	54,602	39,284	42,840	47,205	51,967
<b>Fully Diluted Recurring Net Profit</b>	<b>54,602</b>	<b>39,284</b>	<b>42,840</b>	<b>47,205</b>	<b>51,967</b>

### Cash Flow

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
<b>EBITDA</b>	<b>75,850</b>	<b>60,062</b>	<b>64,316</b>	<b>70,156</b>	<b>76,229</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	891	(1,168)	(4,291)	(523)	(3,707)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow					
Net Interest (Paid)/Received	(2,052)	(2,270)	(2,653)	(2,552)	(2,552)
Tax Paid	(17,901)	(13,934)	(13,797)	(15,509)	(17,074)
<b>Cashflow From Operations</b>	<b>56,788</b>	<b>42,690</b>	<b>43,575</b>	<b>51,572</b>	<b>52,896</b>
Capex	(37,172)	(18,556)	(25,700)	(25,700)	(25,700)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	3,618	4,358	6,111	6,433	6,769
<b>Cash Flow From Investing</b>	<b>(33,555)</b>	<b>(14,198)</b>	<b>(19,589)</b>	<b>(19,267)</b>	<b>(18,931)</b>
Debt Raised/(repaid)	5,418	(1,841)			
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(30,658)	(22,840)	(22,918)	(24,800)	(27,050)
Preferred Dividends					
Other Financing Cashflow	6,315	(5,197)	(682)	(682)	(682)
<b>Cash Flow From Financing</b>	<b>(18,925)</b>	<b>(29,878)</b>	<b>(23,600)</b>	<b>(25,482)</b>	<b>(27,732)</b>
Total Cash Generated	4,309	(1,385)	386	6,823	6,233
<b>Free Cashflow To Equity</b>	<b>28,651</b>	<b>26,652</b>	<b>23,986</b>	<b>32,305</b>	<b>33,965</b>
<b>Free Cashflow To Firm</b>	<b>25,285</b>	<b>30,763</b>	<b>26,640</b>	<b>34,857</b>	<b>36,517</b>

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	42,874	40,269	40,655	47,479	53,711
Total Debtors	48,908	43,224	52,197	58,691	64,064
Inventories	59,234	67,193	63,824	60,978	66,346
Total Other Current Assets	35,696	34,023	34,023	34,023	34,023
<b>Total Current Assets</b>	<b>186,713</b>	<b>184,709</b>	<b>190,700</b>	<b>201,171</b>	<b>218,144</b>
Fixed Assets	94,258	102,550	116,313	129,690	142,985
Total Investments	13,845	14,798	14,798	14,798	14,798
Intangible Assets	4,192	2,196	2,196	2,196	2,196
Total Other Non-Current Assets					
<b>Total Non-current Assets</b>	<b>112,295</b>	<b>119,544</b>	<b>133,307</b>	<b>146,684</b>	<b>159,978</b>
Short-term Debt	13,247	9,074	9,074	9,074	9,074
Current Portion of Long-Term Debt					
Total Creditors	73,888	72,922	74,414	77,361	84,200
Other Current Liabilities	625	672			
<b>Total Current Liabilities</b>	<b>87,760</b>	<b>82,667</b>	<b>83,488</b>	<b>86,434</b>	<b>93,273</b>
Total Long-term Debt	11,497	13,829	13,829	13,829	13,829
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
<b>Total Non-current Liabilities</b>	<b>11,497</b>	<b>13,829</b>	<b>13,829</b>	<b>13,829</b>	<b>13,829</b>
Total Provisions	6,139	7,837	7,659	7,838	8,032
<b>Total Liabilities</b>	<b>105,396</b>	<b>104,334</b>	<b>104,976</b>	<b>108,102</b>	<b>115,135</b>
Shareholders Equity	187,283	193,998	212,138	232,561	255,495
Minority Interests	6,954	6,592	6,892	7,192	7,492
<b>Total Equity</b>	<b>194,237</b>	<b>200,591</b>	<b>219,031</b>	<b>239,753</b>	<b>262,988</b>

### Key Ratios

	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Revenue Growth	2.9%	(4.5%)	4.6%	8.6%	8.6%
Operating EBITDA Growth	21.2%	(20.8%)	7.1%	9.1%	8.7%
Operating EBITDA Margin	21.4%	17.7%	18.1%	18.2%	18.2%
Net Cash Per Share (Rs)	18.90	18.11	18.51	25.62	32.12
BVPS (Rs)	195.25	202.25	221.16	242.45	266.36
Gross Interest Cover	32.81	21.94	19.74	22.66	25.01
Effective Tax Rate	24.8%	28.1%	24.7%	25.1%	25.1%
Net Dividend Payout Ratio	56.1%	56.7%	53.5%	52.5%	52.1%
Accounts Receivables Days	49.00	49.59	49.09	52.54	53.54
Inventory Days	110.23	118.23	117.25	103.10	96.88
Accounts Payables Days	128.71	137.29	131.85	125.38	122.93
ROIC (%)	40.1%	28.4%	27.0%	27.8%	28.3%
ROCE (%)	33.7%	22.7%	22.7%	23.1%	23.5%
Return On Average Assets	17.8%	11.9%	12.3%	12.6%	12.9%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## DISCLAIMER

This report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by Incred Research Services Private Ltd. (formerly known as Earnest Innovation Partners Private Limited) (hereinafter referred to as "IRSPL"). IRSPL is registered with SEBI as a Research Analyst vide Registration No. INH000011024. Pursuant to a trademark agreement, IRSPL has adopted "Incred Equities" as its trademark for use in this report.

The term "IRSPL" shall, unless the context otherwise requires, mean IRSPL and its affiliates, subsidiaries and related companies. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject IRSPL and its affiliates/group companies to registration or licensing requirements within such jurisdictions.

This report is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of IRSPL.

The information contained in this report is prepared from data believed to be correct and reliable at the time of issue of this report.

IRSPL is not required to issue regular reports on the subject matter of this report at any frequency and it may cease to do so or change the periodicity of reports at any time. IRSPL is not under any obligation to update this report in the event of a material change to the information contained in this report. IRSPL has not any and will not accept any, obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant; (ii) ensure that the content of this report constitutes all the information a prospective investor may require; (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, IRSPL and its affiliates/group companies (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

Unless otherwise specified, this report is based upon reasonable sources. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research. While every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of IRSPL and its affiliates/group companies to any person to buy or sell any investments.

The opinions expressed are based on information which is believed to be accurate and complete and obtained through reliable public or other non-confidential sources at the time made (information barriers and other arrangements may be established, where necessary, to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations. In reviewing this report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request. The report is not a "prospectus" as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

IRSPL may have issued other reports (based on technical analysis, event specific, short-term views, etc.) that are inconsistent with and reach a different conclusion from the information presented in this report.

Holding of Analysts/Relatives of Analysts, IRSPL and Associates of IRSPL in the covered securities, as on the date of publishing of this report

Research Analyst or his/her relative(s) or InCred Research Services Private Limited or our associate may have any financial interest in the subject company.

Research Analyst or his/her relatives or InCred Research Services Limited or our associates may have actual or beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of the Research Report.

Research Analyst or his/her relative or InCred Research Services Private Limited or our associate entities may have any other material conflict of interest at the time of publication of the Research Report.



In the past 12 months, IRSPL or any of its associates may have:

- a) Received any compensation/other benefits from the subject company,
- b) Managed or co-managed public offering of securities for the subject company,
- c) Received compensation for investment banking or merchant banking or brokerage services from the subject company,
- d) Received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company

We or our associates may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.

Research Analyst may have served as director, officer, or employee in the subject company.

We or our research analyst may engage in market-making activity of the subject company.

#### **Analyst declaration**

- The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously in an unbiased manner.
- No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report or based on any specific investment banking transaction.
- The analyst(s) has(have) not had any serious disciplinary action taken against him/her(them).
- The analyst, strategist, or economist does not have any material conflict of interest at the time of publication of this report.
- The analyst(s) has(have) received compensation based upon various factors, including quality, accuracy and value of research, overall firm performance, client feedback and competitive factors.

IRSPL and/or its affiliates and/or its Directors/employees may own or have positions in securities of the company(ies) covered in this report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities.

IRSPL and/or its affiliates and/or its Directors/employees may do and seek to do business with the company(ies) covered in this research report and may from time to time (a) buy/sell the securities covered in this report, from time to time and/or (b) act as market maker or have assumed an underwriting commitment in securities of such company(ies), and/or (c) may sell them to or buy them from customers on a principal basis and/or (d) may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) and/or (e) solicit such investment, advisory or other services from any entity mentioned in this report and/or (f) act as a lender/borrower to such company and may earn brokerage or other compensation. However, Analysts are forbidden to acquire, on their own account or hold securities (physical or uncertificated, including derivatives) of companies in respect of which they are compiling and producing financial recommendations or in the result of which they play a key part.

Registration granted by SEBI, membership of a SEBI recognized supervisory body (if any) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

---

#### **InCred Research Services Private Limited**

##### **Research Analyst SEBI Registration Number: INH000011024**

Registered Office: Unit No 1203, 12th Floor, B Wing, The Capital, C-70, G Block, BKC, Bandra (E), Mumbai – 400051

Phone: +91-22-6844-6100

Corporate Office: 05<sup>th</sup> floor, Laxmi Towers, Plot No. C-25, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400051

Phone: +91-22-4161-1500

Name of the Compliance Officer: Mr. Yogesh Kadam

Email ID: compliance@incredresearch.com, Phone No: +91-22-41611539

For any queries or grievances, you may contact the Grievance Officer.

Name of the Grievance Officer: Mr. Rajarshi Maitra

Phone no. +91-022-41611546

Email ID: rajarshi.maitra@incredresearch.com

CIN: U74999MH2016PTC287535

## Recommendation Framework

### Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

### Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

### Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.