

## India

**ADD** (no change)

Consensus ratings\*: Buy 22 Hold 11 Sell 6

Current price: Rs5,403  
 Target price: ▼ Rs6,000  
 Previous target: Rs6,200  
 Up/downside: 11.0%  
 InCred Research / Consensus: 2.1%

Reuters: BRIT.NS  
 Bloomberg: BRIT IN  
 Market cap: US\$14,832m  
 Rs1,301,291m  
 Average daily turnover: US\$21.6m  
 Rs1894.8m  
 Current shares o/s: 240.7m  
 Free float: 49.5%

\*Source: Bloomberg

**Key changes in this note**

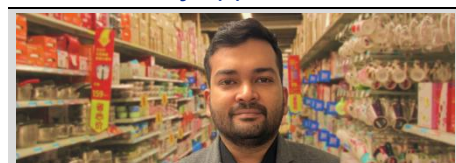
- Lower our target price to Rs6,000 from Rs6,200.
- Introduce FY28F estimates.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(6.4)	0.2	(7.7)
Relative (%)	(3.0)	0.4	(9.0)

Major shareholders	% held
Promoter	50.6
LIC	7.2
Vanguard Group	2.1

**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

**Britannia Industries Ltd****Focus remains on driving balanced growth**

- Consolidated/standalone revenue grew by 8.8%/8.8% yoy in 1QFY26, with a 2% volume growth. Both rural and urban markets saw an improvement.
- Gross margin contracted 310bp yoy to 40.3%. The EBITDA margin contracted 135bp yoy to 16.4%. Margins are expected to improve gradually from here on.
- Focus on driving balanced growth & the new RTM 2.0 are steps in the right direction. Retain ADD rating with a lower TP of Rs6,000 (50x Sep 2027F EPS).

**Healthy volume growth delivery despite a challenging environment**

Consolidated revenue of Britannia Industries (Britannia) grew by 8.8% yoy to Rs46.2bn (in line with estimate) in 1QFY26. Standalone revenue was up 8.8% yoy, with c.2% volume growth and 12% transaction growth (among small packs; c.60% of sales). There was a marginal uptick in consumption across urban and rural markets, which aided in getting back close to double-digit growth. Focus states (where Britannia has a lower market share) grew by 2.7x, higher than other states, with all four focus states growing in double digits in 1Q. Slower growth was seen in the eastern region owing to the shift towards mega distributors, which led to a loss of market share. Adjacency business saw double-digit growth in rusks, mid-20s growth in croissants, & 2.7x higher growth in wafers vs. biscuits in 1Q. The cheese range saw healthy growth in general trade & e-commerce channels after its relaunch.

**Thrust on distribution expansion is likely to support growth**

Britannia is seeing an uptick in both urban and rural markets and is shifting its strategy from adding smaller rural distributors to full-scale distributors to improve service levels. Within urban markets, quick commerce is doing well, with a 75% salience to e-commerce sales (which is 4% of overall sales). The new Route To Market (RTM) initiative is expected to aid in improving the depth of service in urban markets, focusing on high potential outlets and the width of coverage in rural markets. While the base business will also derive benefits from these initiatives, the focus will be on scaling adjacency business. The intent is to cover 70% of the urban retail coverage via this initiative, which has been now scaled to about one-third of the network (rolled out four months ago).

**Gradual improvement in margins expected going forward**

Britannia's consolidated gross margin was down 310bp yoy at 40.3%, dragged by raw material inflation. The EBITDA margin stood at 16.4% (17.5% if adjusted for one-time employee costs) is expected to remain range bound owing to the higher focus on driving volume growth. The volume/value gap is expected to remain in the range of 6-8% in FY26F.

**Maintain ADD rating with a new target price of Rs6,000**

Britannia's focus on driving balanced growth, along with the revamped RTM initiative, are steps in the right direction and should aid growth going ahead. We maintain our ADD rating on the stock with a lower target price of Rs6,000 (50x Sep 2027F EPS), from Rs6,200 earlier. Downside risks: Slower-than-expected sales/volume growth.

Financial Summary	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Revenue (Rsm)	167,693	179,427	195,290	212,749	232,439
Operating EBITDA (Rsm)	31,698	31,872	35,120	39,133	43,490
Net Profit (Rsm)	21,427	22,036	24,594	27,384	30,415
Core EPS (Rs)	88.9	91.5	102.1	113.7	126.3
Core EPS Growth	10.1%	2.8%	11.6%	11.3%	11.1%
FD Core P/E (x)	60.74	59.06	52.92	47.53	42.79
DPS (Rs)	72.0	72.0	90.6	99.9	110.2
Dividend Yield	1.33%	1.36%	1.68%	1.85%	2.04%
EV/EBITDA (x)	41.03	40.78	37.06	33.30	29.89
P/FCFE (x)	65.81	78.86	52.93	47.26	37.66
Net Gearing	(2.6%)	(4.5%)	(1.0%)	1.7%	(4.3%)
P/BV (x)	33.02	29.88	28.09	26.21	24.32
ROE	57.3%	53.1%	54.7%	57.1%	59.0%
% Change In Core EPS Estimates			(2.67%)	(0.84%)	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## Focus remains on driving balanced growth

**Figure 1: Quarterly result summary - consolidated**

Rs m	1QFY25	4QFY25	1QFY26	YoY (%)	QoQ (%)	FY24	FY25	Gr (%)
Revenue	42,503	44,322	46,222	8.8	4.3	1,67,693	1,79,427	7.0
Expenditure	34,966	36,270	38,652	10.5	6.6	1,35,994	1,47,555	8.5
Consumption of Raw Materials	24,054	26,549	27,591	14.7	3.9	94,920	1,06,041	11.7
as % of sales	56.6	59.9	59.7			56.6	59.1	
Employee Costs	2,020	1,645	2,419	19.8	47.0	7,087	7,046	-0.6
as % of sales	4.8	3.7	5.2			4.2	3.9	
Other Expenditure	8,893	8,076	8,642	-2.8	7.0	33,987	34,469	1.4
as % of sales	20.9	18.2	18.7			20.3	19.2	
EBITDA	7,537	8,052	7,571	0.4	-6.0	31,698	31,872	0.5
Depreciation	739	810	820	11.0	1.3	3,005	3,133	4.3
EBIT	6,797	7,242	6,750	-0.7	-6.8	28,694	28,738	0.2
Other Income	556	630	570	2.5	-9.5	2,142	2,271	6.0
Interest	290	307	262	-9.7	-14.7	1,640	1,388	-15.4
PBT	7,064	7,566	7,059	-0.1	-6.7	29,196	29,621	1.5
Total Tax	1,762	1,928	1,809	2.7	-6.2	7,793	7,487	-3.9
PAT	5,302	5,638	5,250	-1.0	-6.9	21,403	22,134	3.4
Profit from Associates / Minority Interest	-1	38	43	NA	NA	-24	99	NA
APAT	5,303	5,600	5,207	-1.8	-7.0	21,427	22,035	2.8
Extraordinary Items	246	0	0	-100.0	NA	29	248	NA
Reported PAT	5,056	5,600	5,207	3.0	-7.0	21,398	21,787	1.8
Adj. EPS	22.0	23.2	21.6	-1.8	-7.0	88.9	91.5	2.8
Margins (%)				(bp)	(bp)			(bp)
Gross Margin	43.4	40.1	40.3	-310	21	43.4	40.9	-250
EBITDA	17.7	18.2	16.4	-135	-179	18.9	17.8	-114
EBIT	16.0	16.3	14.6	-139	-174	17.1	16.0	-109
EBT	16.6	17.1	15.3	-135	-180	17.4	16.5	-90
PAT	12.5	12.7	11.4	-112	-136	12.8	12.3	-43
Effective Tax Rate	24.9	25.5	25.6	68	14	26.7	25.3	-141

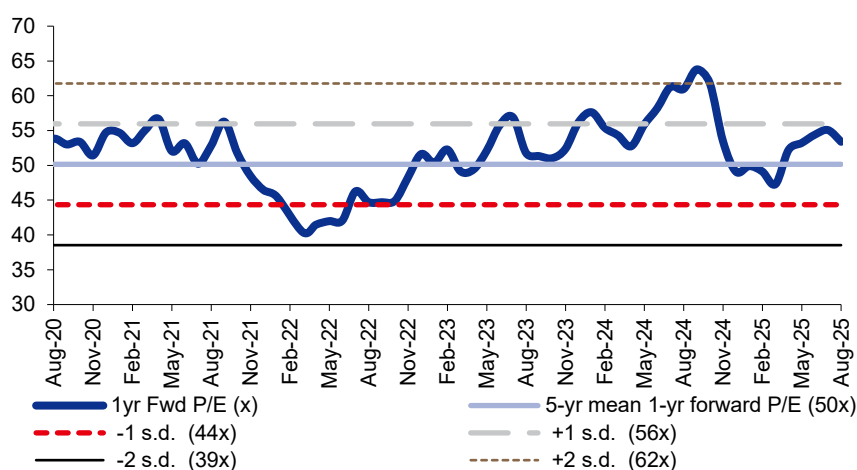
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 2: Our revised earnings estimates**

Rs m	FY26F			FY27F			FY28F Introduced
	Previous	Revised	% Change	Previous	Revised	% Change	
Revenue	1,95,290	1,95,290	0.0	2,14,843	2,12,749	(1.0)	2,32,439
EBITDA	36,023	35,120	(2.5)	39,758	39,133	(1.6)	43,490
EBITDA Margin (%)	18.4	18.0	-46bp	18.5	18.4	-11bp	18.7
Net Profit	25,269	24,594	(2.7)	27,618	27,384	(0.8)	30,415
EPS	104.9	102.1	(2.7)	114.6	113.7	(0.8)	126.3

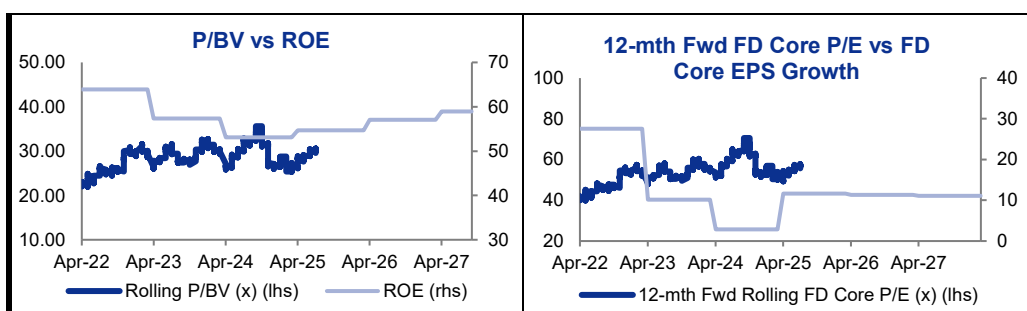
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 3: Britannia's one-year forward P/E trades between its five-year average and +1SD levels**



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>167,693</b>	<b>179,427</b>	<b>195,290</b>	<b>212,749</b>	<b>232,439</b>
<b>Gross Profit</b>	<b>72,772</b>	<b>73,386</b>	<b>81,843</b>	<b>91,292</b>	<b>99,819</b>
<b>Operating EBITDA</b>	<b>31,698</b>	<b>31,872</b>	<b>35,120</b>	<b>39,133</b>	<b>43,490</b>
Depreciation And Amortisation	(3,005)	(3,133)	(3,533)	(3,669)	(3,891)
<b>Operating EBIT</b>	<b>28,694</b>	<b>28,738</b>	<b>31,587</b>	<b>35,463</b>	<b>39,599</b>
Financial Income/(Expense)	227	591	1,535	1,404	1,338
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	275	292	(12)	(17)	(21)
<b>Profit Before Tax (pre-EI)</b>	<b>29,196</b>	<b>29,621</b>	<b>33,110</b>	<b>36,851</b>	<b>40,915</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>29,196</b>	<b>29,621</b>	<b>33,110</b>	<b>36,851</b>	<b>40,915</b>
Taxation	(7,793)	(7,487)	(8,417)	(9,368)	(10,402)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>21,403</b>	<b>22,134</b>	<b>24,693</b>	<b>27,483</b>	<b>30,514</b>
Minority Interests	24	(98)	(98)	(98)	(98)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>21,427</b>	<b>22,036</b>	<b>24,594</b>	<b>27,384</b>	<b>30,415</b>
Recurring Net Profit	21,427	22,036	24,594	27,384	30,415
<b>Fully Diluted Recurring Net Profit</b>	<b>21,427</b>	<b>22,036</b>	<b>24,594</b>	<b>27,384</b>	<b>30,415</b>

### Cash Flow

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
<b>EBITDA</b>	<b>31,698</b>	<b>31,872</b>	<b>35,120</b>	<b>39,133</b>	<b>43,490</b>
Cash Flow from Invt. & Assoc.	24	(98)	(98)	(98)	(98)
Change In Working Capital	4,135	4,183	(4,836)	(5,316)	(1,546)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	2,142	2,271	3,773	3,703	3,691
<b>Other Operating Cashflow</b>					
Net Interest (Paid)/Received	(1,640)	(1,388)	(2,250)	(2,315)	(2,375)
Tax Paid	(7,793)	(7,487)	(8,417)	(9,368)	(10,402)
<b>Cashflow From Operations</b>	<b>28,567</b>	<b>29,352</b>	<b>23,291</b>	<b>25,738</b>	<b>32,760</b>
Capex	(5,104)	(3,433)	(3,200)	(3,200)	(3,200)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments	5,707	(1,251)			
<b>Other Investing Cashflow</b>					
<b>Cash Flow From Investing</b>	<b>603</b>	<b>(4,684)</b>	<b>(3,200)</b>	<b>(3,200)</b>	<b>(3,200)</b>
Debt Raised/(repaid)	(9,393)	(8,164)	4,500	5,000	5,000
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(17,325)	(17,675)	(21,824)	(24,060)	(26,546)
Preferred Dividends					
Other Financing Cashflow	48	(137)	198	198	198
<b>Cash Flow From Financing</b>	<b>(26,669)</b>	<b>(25,977)</b>	<b>(17,126)</b>	<b>(18,862)</b>	<b>(21,347)</b>
<b>Total Cash Generated</b>	<b>2,500</b>	<b>(1,309)</b>	<b>2,965</b>	<b>3,676</b>	<b>8,213</b>
<b>Free Cashflow To Equity</b>	<b>19,777</b>	<b>16,503</b>	<b>24,591</b>	<b>27,538</b>	<b>34,560</b>
<b>Free Cashflow To Firm</b>	<b>30,810</b>	<b>26,056</b>	<b>22,341</b>	<b>24,853</b>	<b>31,935</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	21,429	14,241	17,206	20,882	29,095
Total Debtors	3,933	4,486	4,696	5,125	5,606
Inventories	11,812	12,365	12,675	15,911	17,385
Total Other Current Assets	12,834	9,209	10,456	12,208	13,241
<b>Total Current Assets</b>	<b>50,008</b>	<b>40,302</b>	<b>45,034</b>	<b>54,126</b>	<b>65,328</b>
Fixed Assets	28,014	28,313	27,980	27,511	26,820
Total Investments	10,977	18,077	18,077	18,077	18,077
Intangible Assets	1,298	1,328	1,328	1,328	1,328
Total Other Non-Current Assets	418	348	348	348	348
<b>Total Non-current Assets</b>	<b>40,707</b>	<b>48,066</b>	<b>47,733</b>	<b>47,264</b>	<b>46,573</b>
Short-term Debt	11,365	5,118	7,618	10,118	12,618
Current Portion of Long-Term Debt					
Total Creditors	16,275	17,522	15,817	15,899	17,323
Other Current Liabilities					
<b>Total Current Liabilities</b>	<b>27,640</b>	<b>22,641</b>	<b>23,436</b>	<b>26,018</b>	<b>29,941</b>
Total Long-term Debt	9,047	7,129	9,129	11,629	14,129
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
<b>Total Non-current Liabilities</b>	<b>9,047</b>	<b>7,129</b>	<b>9,129</b>	<b>11,629</b>	<b>14,129</b>
Total Provisions	5,898	6,372	6,107	6,125	6,145
<b>Total Liabilities</b>	<b>42,585</b>	<b>36,142</b>	<b>38,672</b>	<b>43,772</b>	<b>50,215</b>
Shareholders Equity	39,415	43,557	46,327	49,652	53,521
Minority Interests	245	256	454	653	851
<b>Total Equity</b>	<b>39,660</b>	<b>43,813</b>	<b>46,782</b>	<b>50,305</b>	<b>54,372</b>

### Key Ratios

	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Revenue Growth	2.9%	7.0%	8.8%	8.9%	9.3%
Operating EBITDA Growth	12.0%	0.5%	10.2%	11.4%	11.1%
Operating EBITDA Margin	18.9%	17.8%	18.0%	18.4%	18.7%
Net Cash Per Share (Rs)	4.22	8.28	1.90	(3.59)	9.74
BVPS (Rs)	163.62	180.81	192.31	206.11	222.17
Gross Interest Cover	17.50	20.70	14.04	15.32	16.67
Effective Tax Rate	26.7%	25.3%	25.4%	25.4%	25.4%
Net Dividend Payout Ratio	80.9%	80.2%	88.7%	87.9%	87.3%
Accounts Receivables Days	7.86	8.56	8.58	8.42	8.43
Inventory Days	45.65	41.61	40.28	42.95	45.82
Accounts Payables Days	59.15	58.17	53.63	47.66	45.72
ROIC (%)	68.3%	74.6%	75.8%	76.2%	83.5%
ROCE (%)	49.0%	53.2%	59.0%	57.6%	56.4%
Return On Average Assets	23.0%	24.1%	25.6%	26.9%	27.4%

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.