

India

InCred India Sector rating

| Overweight | Neutral | Underweight |
|--------------------|------------------------|--------------------|
| Aluminium | Automobile | Agribusiness |
| Cement | Auto Ancillary | Aviation |
| Defence | Consumer staples | Building Materials |
| Financial Services | Infrastructure | Chemicals |
| Oil and Gas | Information Technology | Metals & Mining |
| Pharmaceuticals | | Ports & Logistics |
| Power Utility | | |

India Strategy

All hopes on festive season-led policy action

- Weakness in high frequency economic indicators gets the required attention via the Gol's planned policy action likely in the coming weeks to revive them.
- The weak results season prevailed, with slow EBITDA growth and very few sectors recording an upgrade. FY26F-27F EPS cut trend of 1-3% prolongs.
- Favourable domestic fund inflow aids Nifty-50 consolidation and helps the forward P/E to ease below the 10-year mean. Retain flat index return outlook.

Economic challenges prevail; hopes of reforms-led revival

The high frequency indicators continue to tilt towards weakness (automobile & electricity sectors, bank credit growth), while the improvement in E-way bill generation and manufacturing PMI (Fig. 18) provide hope. Prime Minister Narendra Modi, in his 15th Aug Independence Day speech, unveiled his plan for the next phase of reforms to revive consumer demand, which is impressive. But considering the limited fiscal room (due to lower tax collection momentum and higher defence spending), we await the details of the scheme. The recent S&P rating upgrade underscores India's resilient growth, anchored inflation expectations, and strong credit metrics, underpinned by fiscal consolidation and improved quality of spending.

Lacklustre performance of corporate results continues

For the Jun 2025 quarter, India Nifty-50 companies reported EPS growth of just 2% yoy, a beat of 2% vs. Bloomberg (BB) consensus estimate. The prolonged slowdown in sales growth to 6% was disappointing, while there was flattish EBITDA, adjusted for BFSI, commodity and telecom sectors. The only double-digit EBITDA growth sectors were cement, telecom and oil & gas. The downgrade in FY26F-27F Bloomberg Nifty-50 EPS estimates continued (Fig. 44) in the 1-3% range, driven by BFSI and information technology sectors, while the upgrade was only in telecom and industrial sectors. Comparing Bloomberg consensus FY26F EPS change vs. sector returns for the last six months (Fig. 55), we feel the valuation rerating has been excessive for sectors like telecom, energy, metals, and utilities. We have upgraded Hindustan Unilever and Blue Dart Express while downgrading Bank of Baroda and Bharat Forge in recent weeks.

Index consolidation to prevail; we favour large-caps

The Nifty-50 index's flattish trend in recent months and the quarter is as per our expectation. The hostile global environment vs. hopes of fiscal stimulus in domestic consumption are key themes influencing the index/stocks in the short term. While consolidation has eased the forward P/E to below the 10-year mean level (Fig. 45), high volatility and short-term economic challenges led us to ease our bull-case probability to 30% (from 35% earlier), resulting in the Nifty-50 index target of 25,368 (from 25,421 earlier), a marginal ~3% upside by Mar 2026F. In our high-conviction list, we have added E2E Networks as an artificial intelligence or AI infrastructure play, but removed UPL.

Research Analyst(s)

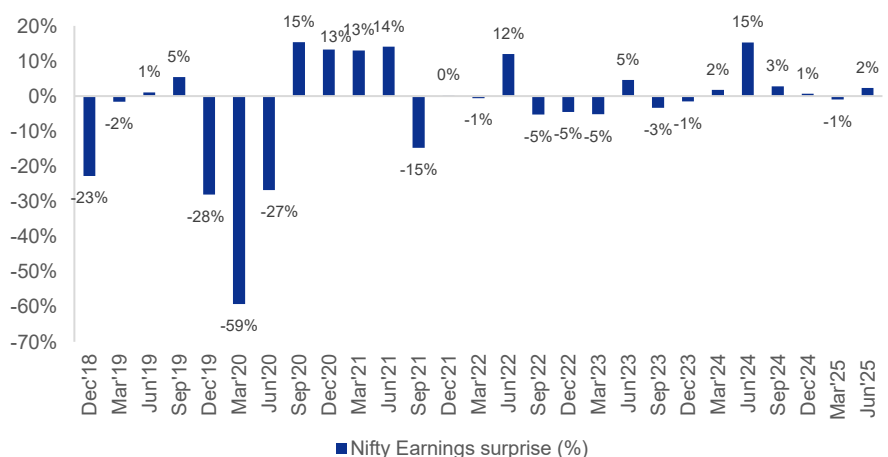


Pramod AMTHE

T (91) 22 4161 1541

E pramod.amthe@incredresearch.com

Figure 1: Nifty-50 companies' quarterly EPS beat/miss trend



SOURCE: BLOOMBERG, INCRED RESEARCH, COMPANY REPORTS

Figure 2: Our high-conviction stock ideas valuation matrix

| Company | BLOOMBERG TICKER | Reco. | Market Capital | Market Capital | Price | Target Price | Up/down | EPS | | | P/E (x) | | P/BV (x) | | EV/EBITDA (x) | Dividend Yield (%) | ROE % |
|---|---------------------|--------|-------------------|-------------------|-------|-----------------|---------|-------|-------|--------------------------------------|---------|-------|----------|-------|------------------|-----------------------|----------|
| | | | (Rsbn) | (US\$bn) | (Rs) | (Rs) | (%) | FY26F | FY27F | 2yr EPS CAGR (FY25A- FY27F) | FY26F | FY27F | FY26F | FY27F | FY26F | FY26F | FY26F |
| Ajanta Pharma | AJP IN | ADD | 307 | 3.7 | 2579 | 3100 | 20% | 86.1 | 100.6 | 17.0% | 30.0 | 25.6 | 7.8 | 6.7 | 21.7 | 1.9% | 27.1 |
| Axis Bank | AXSB IN | ADD | 3103 | 37.2 | 1050 | 1430 | 36% | 41.4 | 51.0 | 9.4% | 25.4 | 20.6 | 3.2 | 2.8 | 3.2 | 0.3% | 13.3 |
| Bajaj Auto | BJAUT IN | ADD | 2312 | 27.7 | 8692 | 9944 | 14% | 329.3 | 375.6 | 13.4% | 26.4 | 23.1 | 7.0 | 6.4 | 18.9 | 2.6% | 27.4 |
| Bajaj Finance | BAF IN | ADD | 5187 | 62.1 | 876 | 1100 | 26% | 66.7 | 89.7 | -42.1% | 13.1 | 9.8 | 2.4 | 2.0 | 2.4 | 5.8% | 19.6 |
| Camlin Fine Sciences | CFIN IN | ADD | 39 | 0.5 | 219 | 428 | 95% | 12.6 | 17.1 | 276.3% | 17.4 | 12.8 | 3.4 | 2.7 | 7.9 | 0.0% | 22.0 |
| Clean Science and Technology | CLEAN IN | REDUCE | 115 | 1.4 | 1135 | 683 | -40% | 27.1 | 29.8 | 10.8% | 41.9 | 38.1 | 6.9 | 5.8 | 27.6 | 0.0% | 17.9 |
| Container Corp of India | CCRI IN | ADD | 383 | 4.6 | 528 | 970 | 84% | 25.5 | 32.4 | 26.7% | 20.7 | 16.3 | 2.4 | 2.2 | 12.1 | 1.5% | 12.1 |
| Deepak Fertilisers & Petrochemicals Corp. | DFPC IN | ADD | 175 | 2.1 | 1454 | 2051 | 41% | 92.6 | 138.6 | 31.5% | 15.7 | 10.5 | 2.6 | 2.2 | 10.0 | 0.0% | 17.7 |
| E2E Network | E2E IN | ADD | 45 | 0.5 | 2361 | 3245 | 37% | 38.1 | 73.7 | 75.7% | 62.0 | 32.1 | 2.8 | 2.6 | 17.7 | 0.0% | 4.7 |
| Ethos Limited | ETHOSLTD IN | ADD | 61 | 0.7 | 2390 | 3400 | 42% | 49.4 | 67.9 | 34.7% | 48.4 | 35.2 | 5.3 | 4.6 | 21.7 | 0.0% | 15.8 |
| Globus Spirits | GBSL IN | ADD | 34 | 0.4 | 1243 | 1850 | 49% | 69.2 | 108.8 | 278.3% | 18.0 | 11.4 | 3.0 | 2.4 | 9.3 | 0.2% | 18.3 |
| HDFC Bank | HDFCB IN | ADD | 14237 | 170.5 | 973 | 2250 | 131% | 94.7 | 110.3 | 12.0% | 10.3 | 8.8 | 1.3 | 1.2 | 1.3 | 3.1% | 13.7 |
| InterGlobe Aviation | INDIGO IN | REDUCE | 2228 | 26.7 | 6050 | 3030 | -50% | 83.0 | 87.5 | -15.0% | 72.9 | 69.1 | 21.0 | 16.1 | 15.8 | 0.0% | 44.9 |
| Lupin Ltd | LPC IN | ADD | 837 | 10.0 | 1925 | 2400 | 25% | 88.6 | 88.2 | 8.2% | 21.7 | 21.8 | 4.2 | 3.6 | 13.6 | 0.4% | 21.2 |
| Maruti Suzuki | MSIL IN | ADD | 4407 | 52.8 | 14714 | 14509 | -1% | 513.4 | 582.1 | 11.2% | 28.7 | 25.3 | 4.4 | 3.9 | 19.9 | 1.1% | 16.2 |
| NTPC Ltd | NTPC IN | ADD | 3078 | 36.8 | 333 | 390 | 17% | 20.6 | 22.2 | 4.8% | 16.2 | 15.0 | 1.9 | 1.7 | 10.6 | 2.5% | 11.9 |
| Shriram Finance | SHFL IN | ADD | 1066 | 12.8 | 595 | 870 | 46% | 55.0 | 66.4 | 24.4% | 10.8 | 9.0 | 1.7 | 1.4 | 1.7 | 2.5% | 16.8 |
| Skipper | SKIPPER IN | ADD | 58 | 0.7 | 524 | 612 | 17% | 16.9 | 21.9 | 28.6% | 31.0 | 24.0 | 4.3 | 3.6 | 12.7 | 0.0% | 14.8 |
| Tata Consultancy Services | TCS IN | ADD | 10881 | 130.3 | 3157 | 3818 | 21% | 141.4 | 154.2 | 7.2% | 22.3 | 20.5 | 10.8 | 10.2 | 15.6 | 3.5% | 50.9 |
| Tata Steel | TATA IN | REDUCE | 1844 | 22.1 | 155 | 82 | -47% | 5.4 | NA | NA | 28.7 | NA | 1.6 | NA | 9.5 | 1.3% | 5.8 |
| TCPL Packaging | TCPL IN | ADD | 29 | 0.4 | 3380 | 4530 | 34% | 158.1 | 198.1 | 12.3% | 21.4 | 17.1 | 4.0 | 3.3 | 11.0 | 0.7% | 20.4 |
| Thyrocare Technologies | THYROCAR IN | ADD | 64 | 0.8 | 1267 | 1400 | 11% | 25.8 | 31.2 | 25.7% | 55.2 | 42.2 | 12.1 | 11.1 | 25.7 | 1.7% | 36.3 |

SOURCE: INCRED RESEARCH, COMPANY REPORTS

All hopes on festive season-led policy action

Economy section

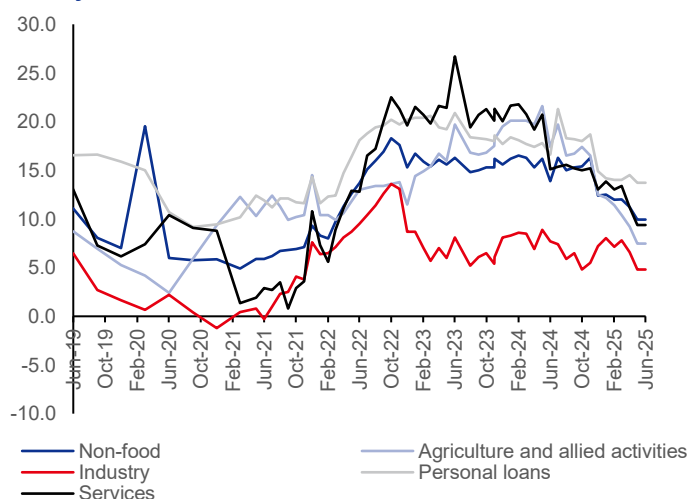
S&P's credit rating upgrade underscores resilient growth ➤

Strong macroeconomic performance and sound fundamentals over the past few years have earned India a well-deserved sovereign rating upgrade by the S&P credit rating agency to 'BBB'. The rating upgrade underscores India's resilient growth, anchored inflation expectations, and stronger credit metrics, underpinned by fiscal consolidation and improved quality of spending.

Building on the growth momentum in 1QFY26, the Indian economy continued to reflect resilience in Jul 2025. Record e-way bill generation and a 16-month high in manufacturing PMI (Purchasing Managers' Index) provide comfort. Further, the expansion in services PMI indicates growth in the services activity. Driven by a favourable base effect and deflation in food items, headline inflation has continued to ease since Oct 2024, falling below the 2% tolerance threshold in Jul 2025. The fiscal performance in 1QFY26 reflects a strong capex push, with robust growth in capital expenditure alongside healthy revenue growth driven primarily by non-tax receipts. Gross tax revenue rose modestly on a high base, with moderation in direct collections, given the tax cuts.

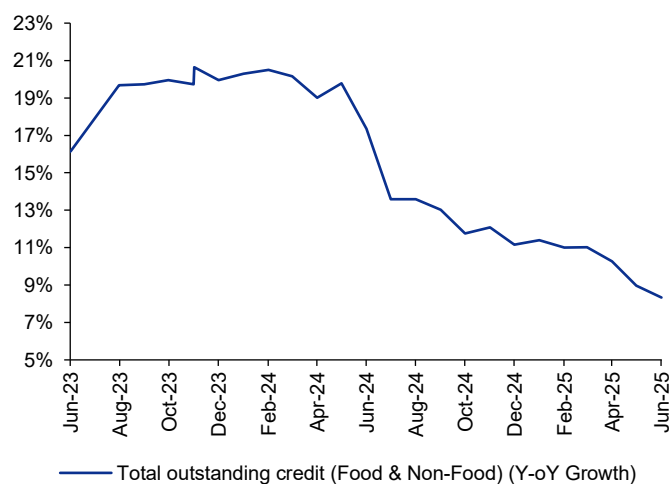
While the near-term risks to economic activity, principally exports and capital formation, remain due to tariff-related uncertainty, the government and the private sector, acting in tandem and concert, can keep the disruption to a minimum. Setbacks eventually can make the economy stronger and more agile, if handled properly.

Figure 3: Loan growth eases across sectors but improves for industry



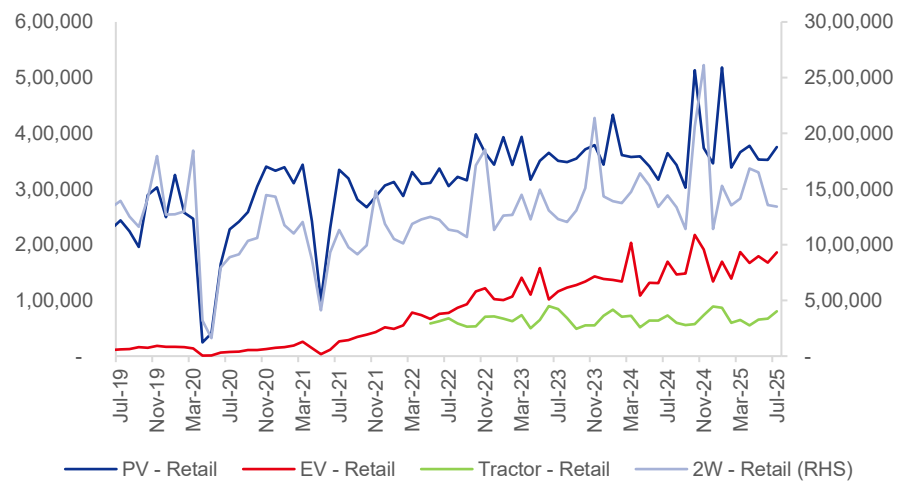
SOURCE: RBI, INCRED RESEARCH

Figure 4: Non-food credit growth continues to ease



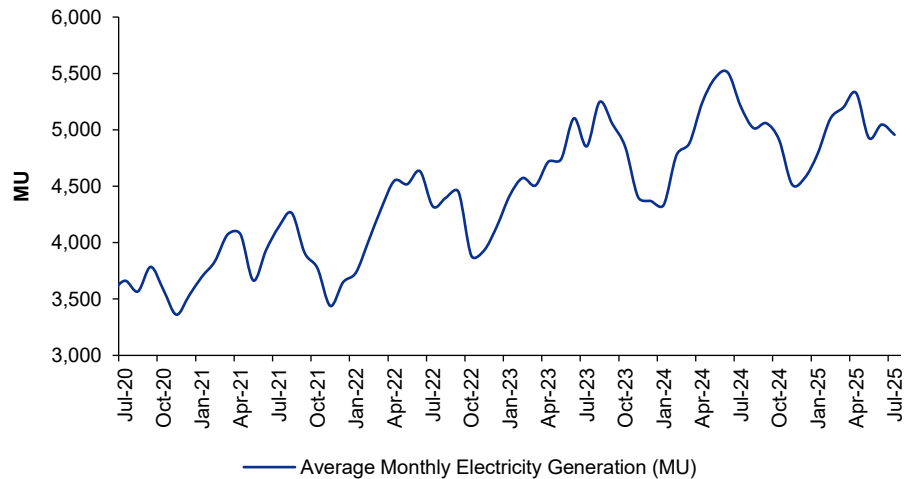
SOURCE: RBI, INCRED RESEARCH

Figure 5: Automobile sector's monthly retail sales volume trend remains weak



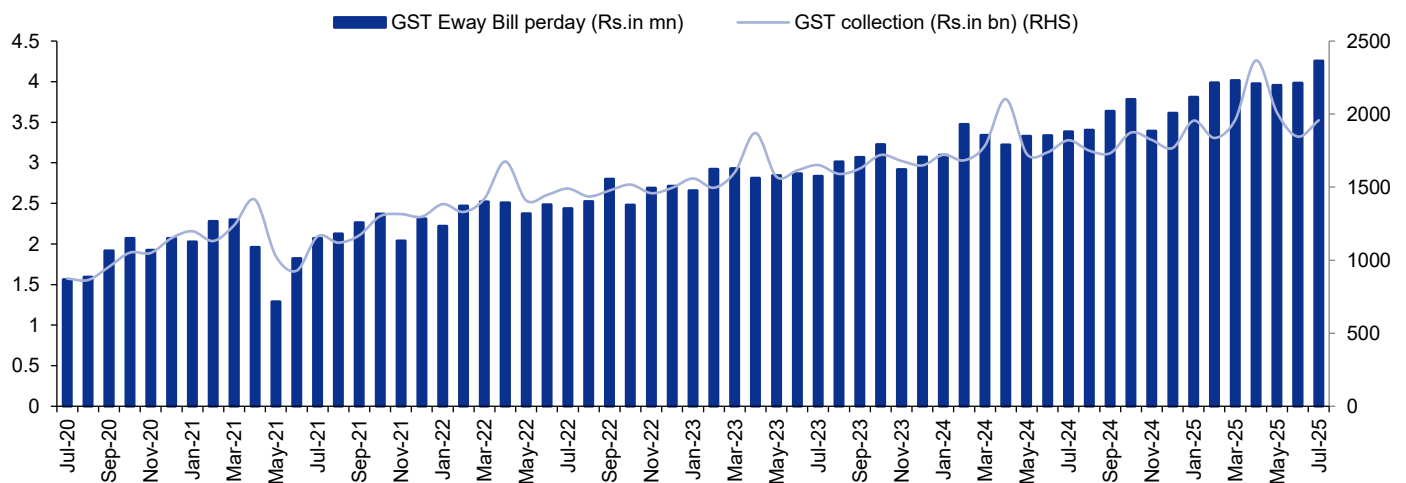
SOURCE: VAHAN.COM, INCRED RESEARCH, COMPANY REPORTS

Figure 6: Electricity generation improves from its recent lows



SOURCE: POWER SYSTEM OPERATION CORPORATION, INCRED RESEARCH

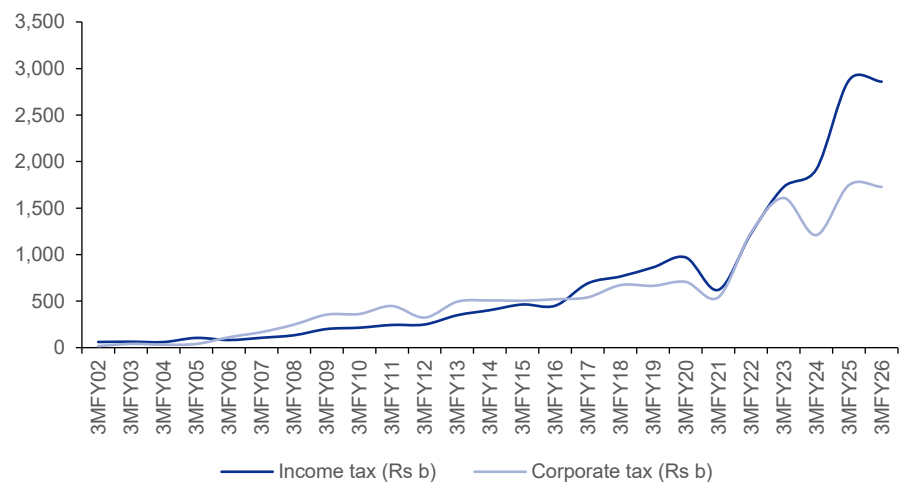
Figure 7: Growth in GST collections and E-way bills eases



NOTE: GST IS GOODS AND SERVICES TAX

SOURCE: GST COUNCIL, GOODS AND SERVICES TAX NETWORK (GSTN), INCRED RESEARCH

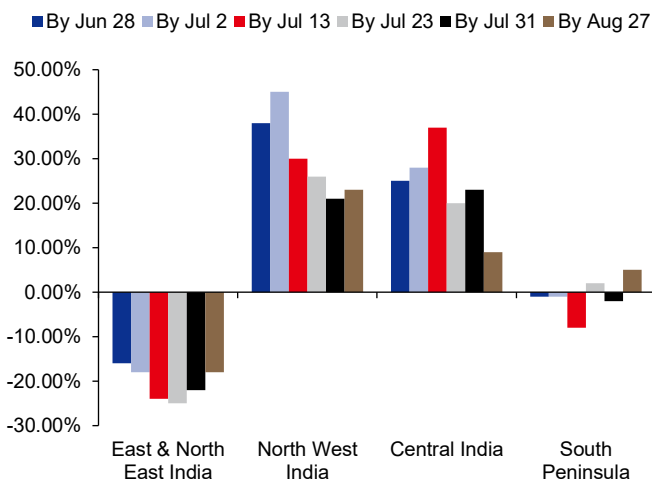
Figure 8: Income-tax and corporate tax collection momentum eases (Rs m)



SOURCE: THE CENTRE FOR MONITORING INDIAN ECONOMY (CMIE), INCRED RESEARCH

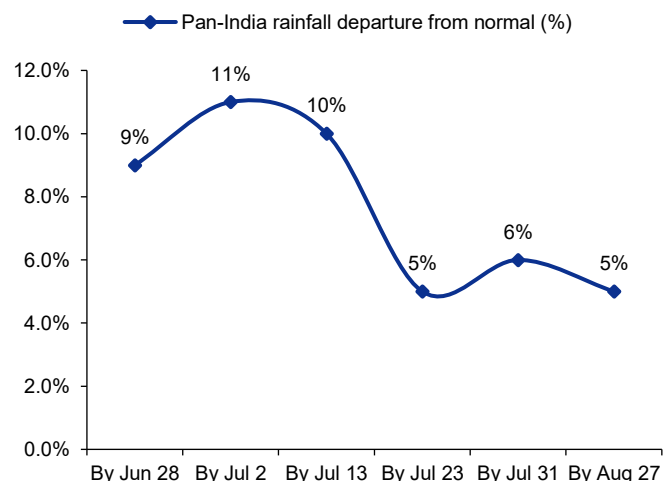
Spike in rural consumer sentiment

Figure 9: The southwest monsoon saw spatial distribution in the last few weeks



SOURCE: CMIE, INCRED RESEARCH, RBI.

Figure 10: A promising monsoon season lies ahead

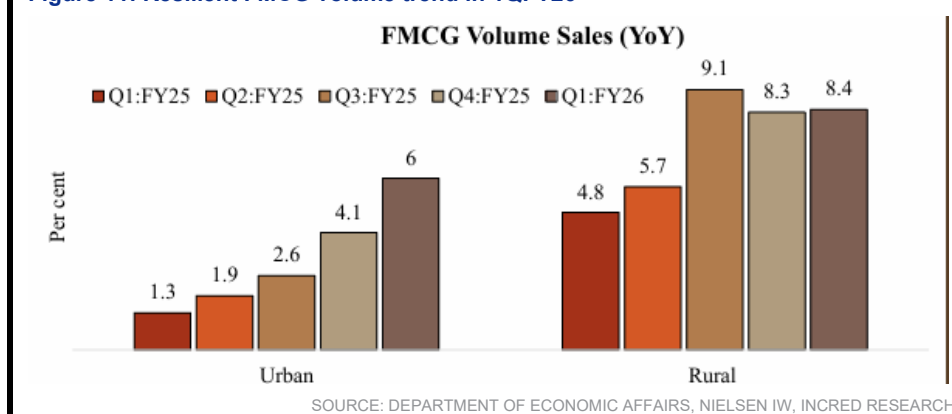


SOURCE: CMIE, INCRED RESEARCH, RBI.

The distribution of rainfall remained highly uneven in the first three weeks of Aug 2025. Rains played truant in first two weeks of the month. However, in the third week ended 20 Aug 2025, the recorded rainfall surplus stood at 22.3%. Cumulative rainfall during the period 1 Jun to 20 Aug 2025 was normal at 2.1%, above the long period average (LPA), although its temporal and the spatial distribution remained highly erratic. This lags the India Meteorological Department or IMD's prediction of a 6% surplus.

Kharif sowing is nearing completion. By 15 Aug 2025, 104m ha were brought under cultivation. This was almost 95 per cent of the 109.7m ha of area normally covered during the kharif season. The area sown was 3.7 per cent higher by 15 Aug 2025, compared to the same period a year ago. The increase can be attributed to higher area brought under cultivation of rice, maize, green gram, black gram, and sugarcane. The area sown in the case of oilseeds, cotton and arhar lagged.

Figure 11: Resilient FMCG volume trend in 1QFY26



Consumer sentiment on a gradual uptick ➤

The buying intention among Indian households continued to gain ground in Jul 2025, as it rose for the third straight month. The proportion of households that believed this was a good time to buy consumer durables touched a record-high of 35.9%, up from 30.8% in Apr 2025. The surge in the buying sentiment is broad-based and supported by improved perception of the country's current financial position. This steady uptick in the buying sentiment comes ahead of India's festive season, which begins earlier than usual this year.

The weakness in urban sentiment, which persisted through much of last year, seems to have turned around in Mar-Apr 2025. The sentiment dipped momentarily in May 2025 and strengthened well in Jun-Jul 2025. Rural households displayed an even more definitive pick-up in the sentiment during Apr-Jul 2025.

Figure 12: The Index of Consumer Sentiment improves (nos)

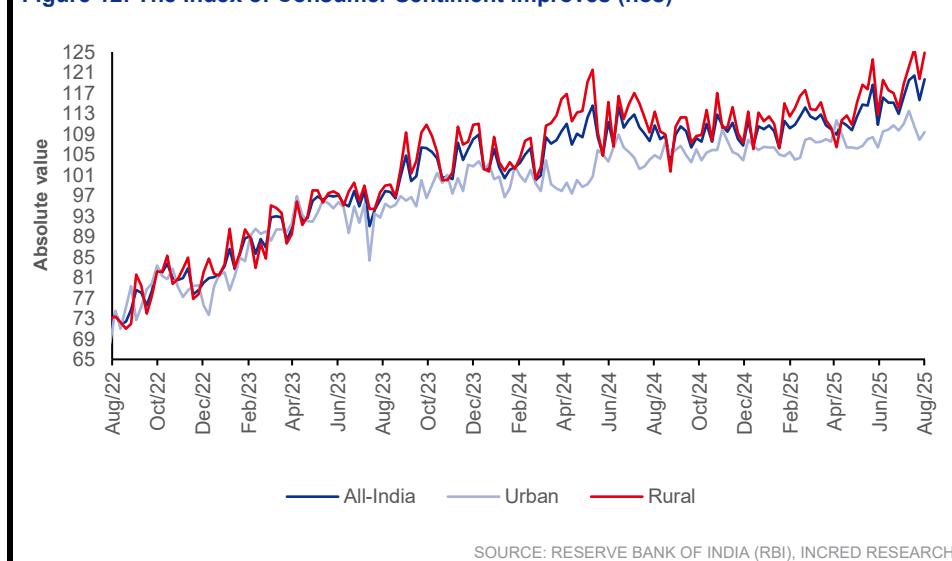
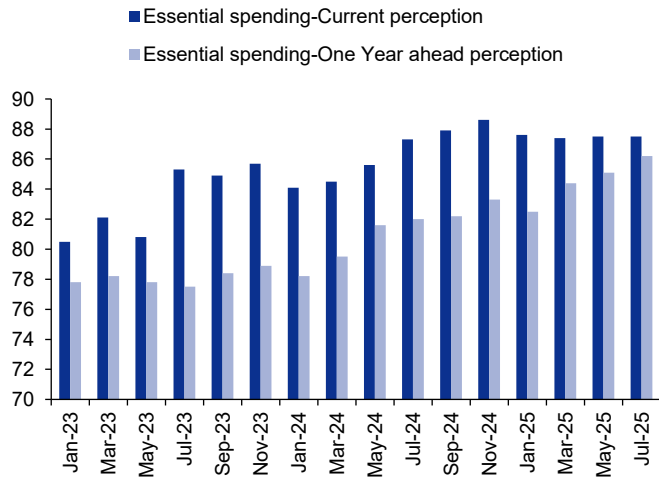
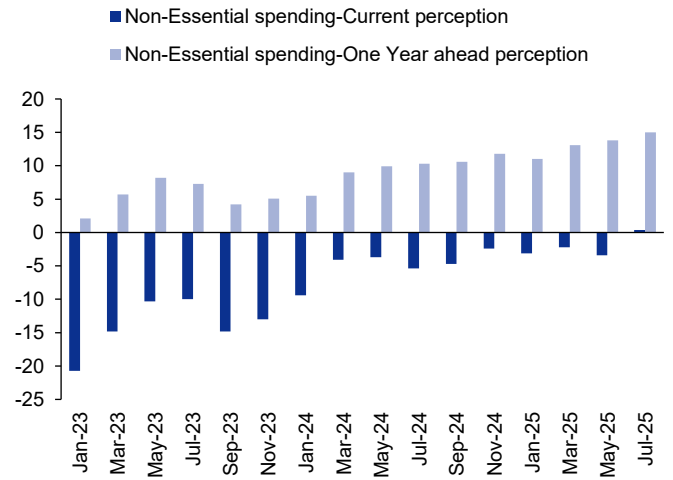


Figure 13: Consumer perception regarding essential spending for the current year and a year forward



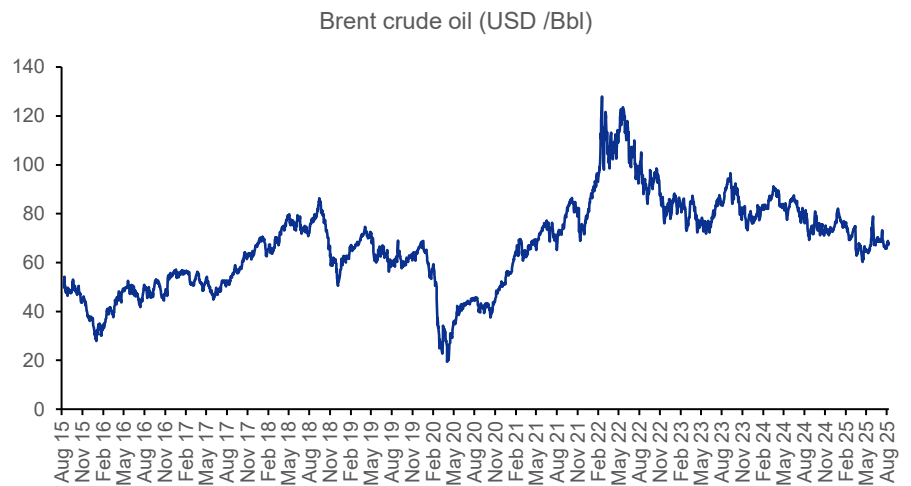
SOURCE: CMIE, INCRED RESEARCH, RBI.

Figure 14: Consumer perception on non-essential spending for the current year and a year forward shows an improvement



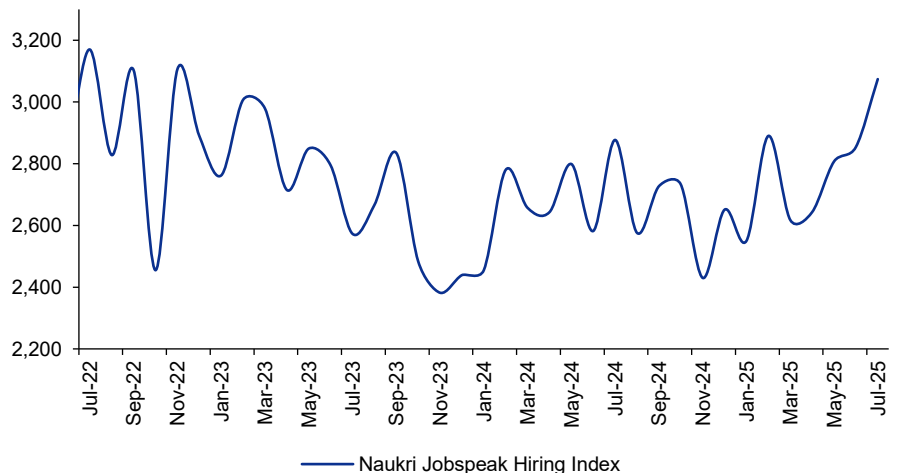
SOURCE: CMIE, INCRED RESEARCH, RBI.

Figure 15: Global crude oil prices stable (US\$/bbl)



SOURCE: BLOOMBERG, INCRED RESEARCH

Figure 16: Naukri Jobspeak hiring Index spikes to a new high



SOURCE: INCRED RESEARCH, NAUKRI JOBSPEAK REPORT

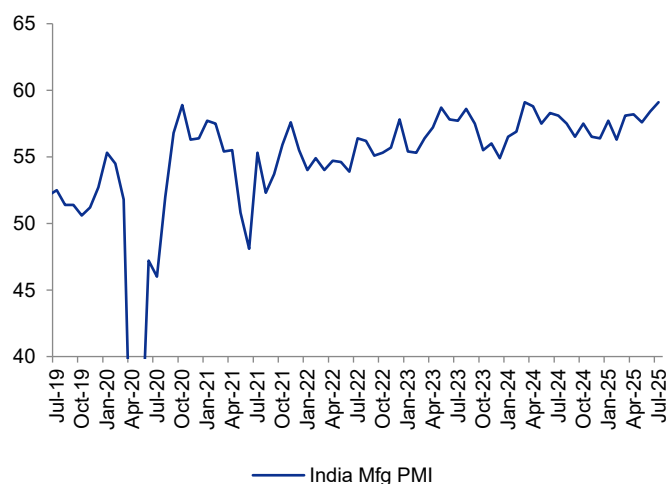
Short-term challenges to GDP growth, but new reforms provide hope ➤

The real gross value added (GVA) is believed to have grown by 6.3% yoy in 1QFY26, as per the Centre for Monitoring Indian Economy or CMIE. While the industrial sector stifled growth, agriculture and services sectors kept the overall growth afloat for the quarter. The GVA by the industrial sector is believed to have grown by just 4.7% in the Jun 2025 quarter vs. 7.5% in the Jun 2024 quarter. Manufacturing, which accounts for roughly half of the GVA of this sector, underwent a significant slowdown. Components like mining & quarrying and electricity are believed to have contracted in the Jun 2025 quarter. In contrast, construction sector activity seems to have cushioned the growth during the quarter. In the Jun 2025 quarter, CMIE expects the GVA of agriculture, forestry & fishing sectors to have grown by 4.6% yoy vs. 1.5% in 1QFY25.

The gap between gross domestic product (GDP) and GVA is indirect taxes, net of subsidies. Given the lower payout of subsidies in the Jun 2025 quarter, CMIE expects the GDP growth (6.5-6.7%) to be higher than the GVA growth.

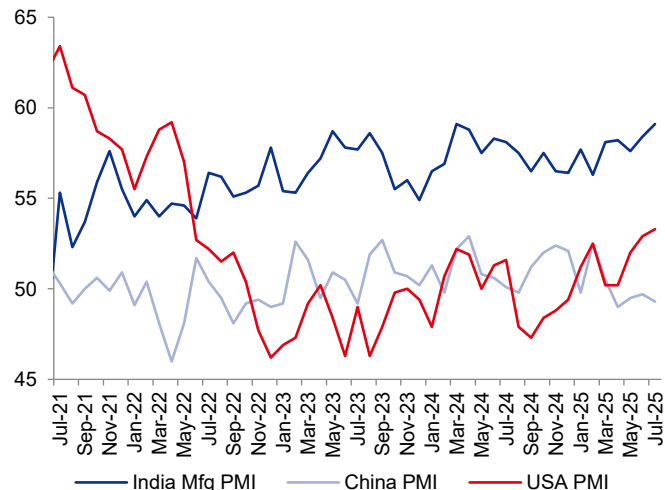
Going ahead, the robust macroeconomic fundamentals continue to bolster the resilience of the Indian economy. The government's recent policy initiatives, including the setting up of a Task Force for Next-Generation Reforms and the forthcoming Goods and Services Tax or GST reforms, and deregulation initiatives of the states coupled with the sovereign rating upgrade, are set to reduce borrowing costs, attract foreign capital, and bolster investment and consumption. These reforms mark the beginning of an accelerated phase of governance transformation, ensuring that India extends its own line of progress, becoming more resilient, inclusive, and globally competitive in an era of rising global economic self-interest.

Figure 17: India's Index of Industrial Production growth is stable



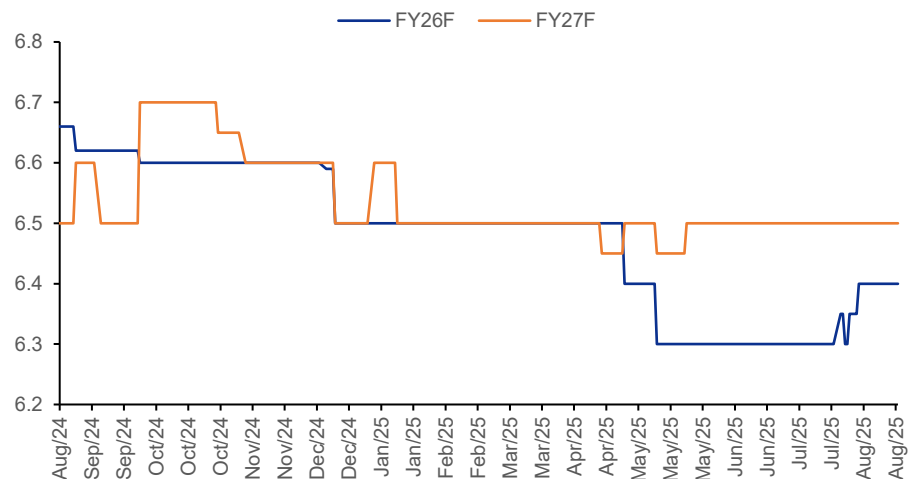
SOURCE: NATIONAL STATISTICS OFFICE (NSO), INDEX OF INDUSTRIAL PRODUCTION (IIP), INCRED RESEARCH,

Figure 18: Manufacturing Purchasing Managers' Index or PMI of India, China and the US improves



SOURCE: IHS MARKIT, PURCHASING MANAGERS' INDEX (PMI), INCRED RESEARCH

Figure 19: India GDP growth - Bloomberg consensus estimate sustains



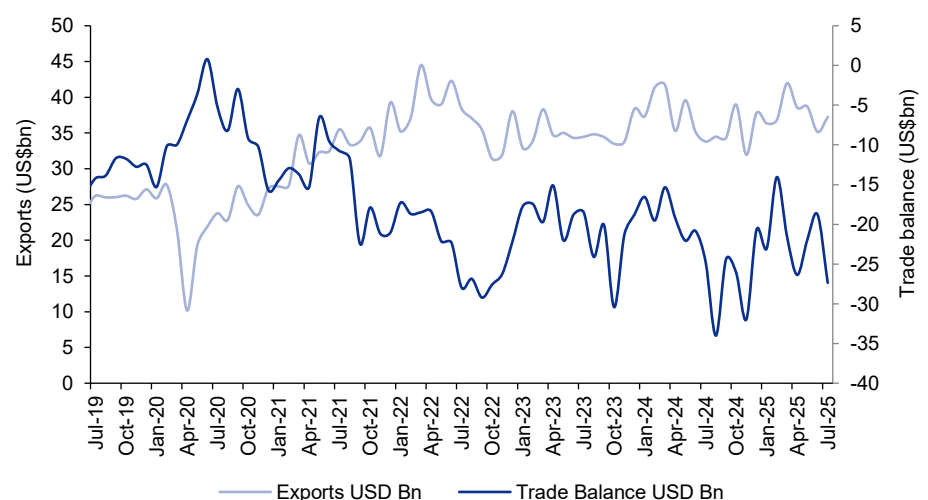
SOURCE: BLOOMBERG, INCRED RESEARCH

INR appreciates from improved dollar inflow ➤

India's merchandise trade deficit widened to an eight-month high of US\$27.4bn in Jul 2025. Though exports and imports both increased, the faster growth in imports compared to exports led to the expansion in the trade deficit. Merchandise exports were 7.3% yoy higher in Jul 2025 at US\$37.2bn, driven by non-petroleum, oil & lubricants (POL). India's merchandise imports rose by 8.6% yoy to US\$64.6bn driven by fertilizers, pearls, precious & semi-precious stones, and electrical & non-electrical machinery.

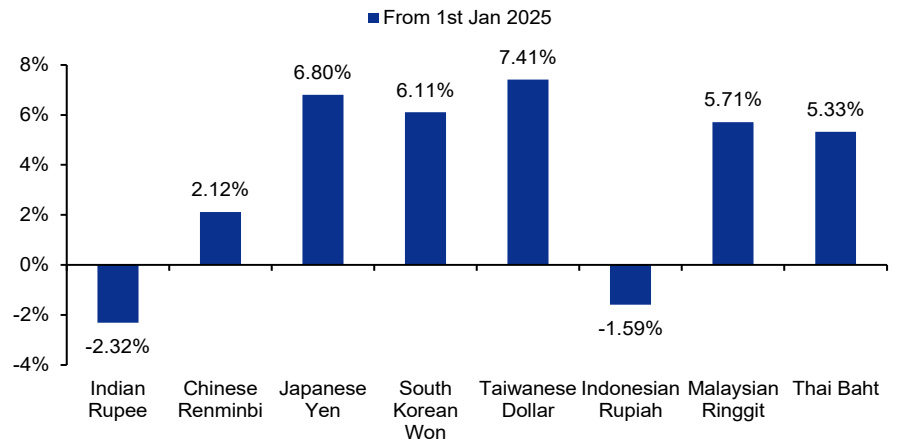
In the dynamic global trade landscape, India has adopted a calibrated approach to negotiating free trade agreements or FTAs, aiming to expand market access while protecting domestic interests. Recently, two major agreements, the India-UK CETA and the India-EFTA TEPA, have been concluded, and negotiations continue with a few other nations like the EU, the US, Peru, Chile, Oman, and New Zealand. India's calibrated engagements in FTAs reflect a strategic effort to secure long-term competitiveness in a dynamic global trade landscape.

Figure 20: India's trade deficit trend



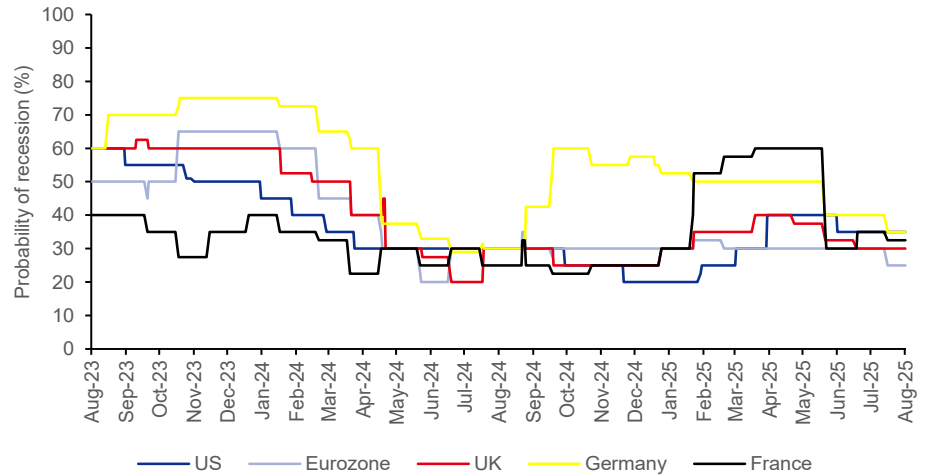
SOURCE: MINISTRY OF COMMERCE AND INDUSTRY, INCRED RESEARCH

Figure 21: USD-INR's performance against Asian peers



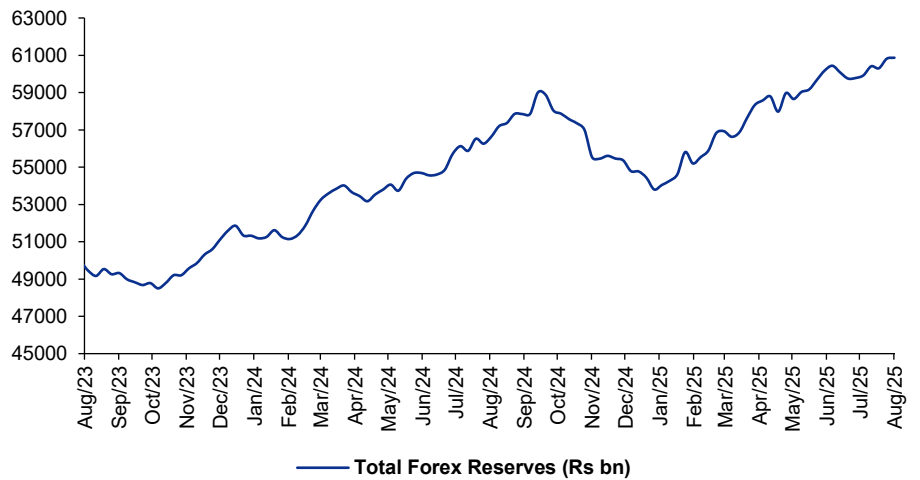
SOURCE: BLOOMBERG, INCRED RESEARCH

Figure 22: Recession probability (%) in developed countries eased recently



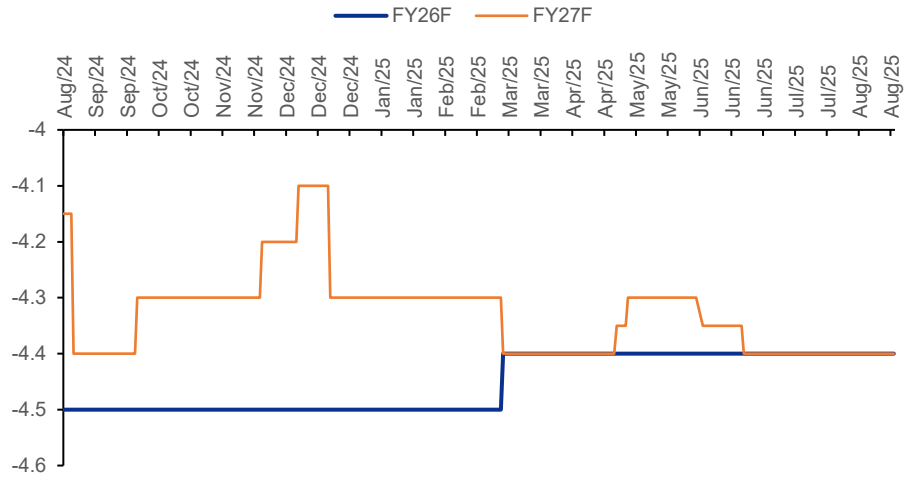
SOURCE: BLOOMBERG, INCRED RESEARCH

Figure 23: India's forex reserves rose from their recent low



SOURCE: RBI, ACE EQUITY, INCRED RESEARCH

Figure 24: India's fiscal deficit is expected to rise, as per Bloomberg consensus estimates



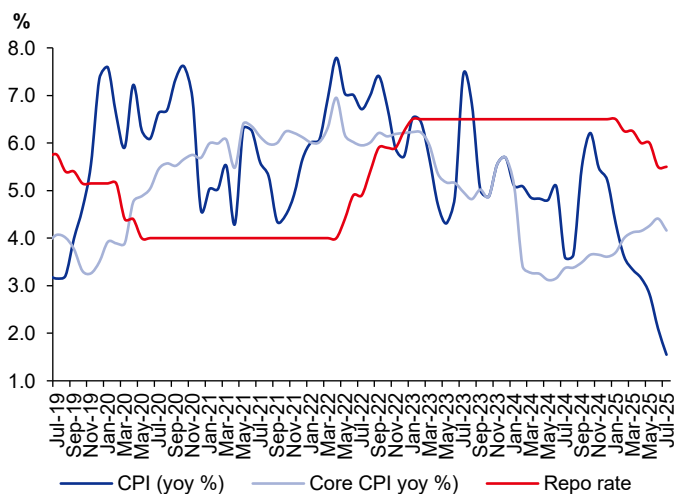
SOURCE: BLOOMBERG, INCRED RESEARCH

Inflation eases to an eight-year low ➤

The low headline retail inflation was driven by deflation in food items. Inflation rose in the miscellaneous group and housing, but it fell marginally in the case of clothing & footwear and fuel & light groups. Inflation remained unchanged in the paan, tobacco & intoxicants group in Jun 2025, compared to the inflation in the preceding month. Inflation in rural areas cooled to 1.7% whereas it eased to 2.6% in urban areas.

Retail inflation, measured by the year-on-year change in the Consumer Price Index (CPI), plunged to 1.6 per cent in Jul 2025 from 2.1 per cent in Jun 2025. This is the second-lowest print recorded after Jun 2017. Inflation dipped considerably in Jul 2025 due to the favourable base effect. However, we expect inflation to come back to the Jun level in Aug and Sep 2025F. Even with this likely uptick, it would remain low, hovering near the Reserve Bank of India's lower tolerance limit of 2 per cent. Core inflation (excluding food and fuel & light) is estimated to have broken its six-month rising streak in Jul 2025 to dip to 4.2%, aided by easing prices in transport & communications.

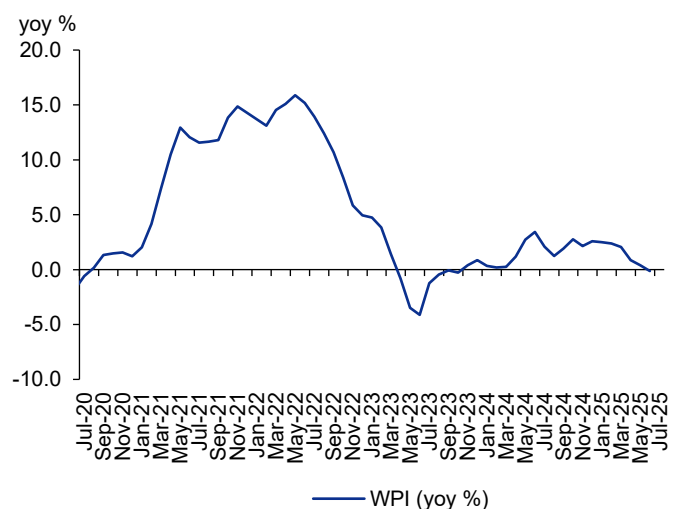
Figure 25: Core Consumer Price Index or CPI inflation trend



NOTE: CPI IS CONSUMER PRICE INDEX

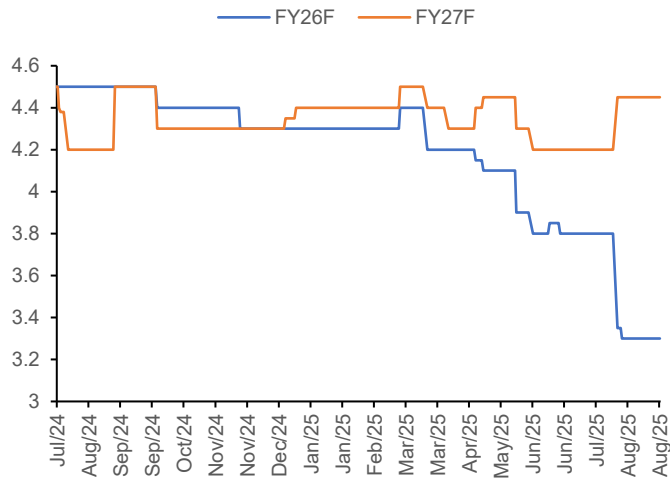
SOURCE: RBI, CENTRAL STATISTICS OFFICE, INCRED RESEARCH

Figure 26: Wholesale Price Index or WPI inflation stabilizes



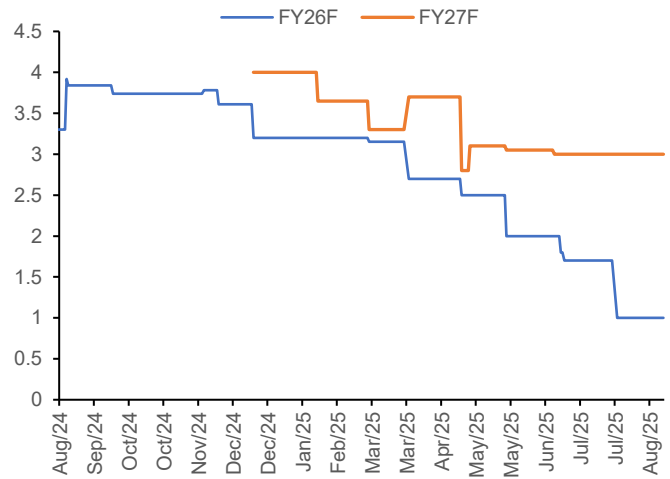
SOURCE: RBI, INCRED RESEARCH

Figure 27: Bloomberg CPI inflation consensus estimates



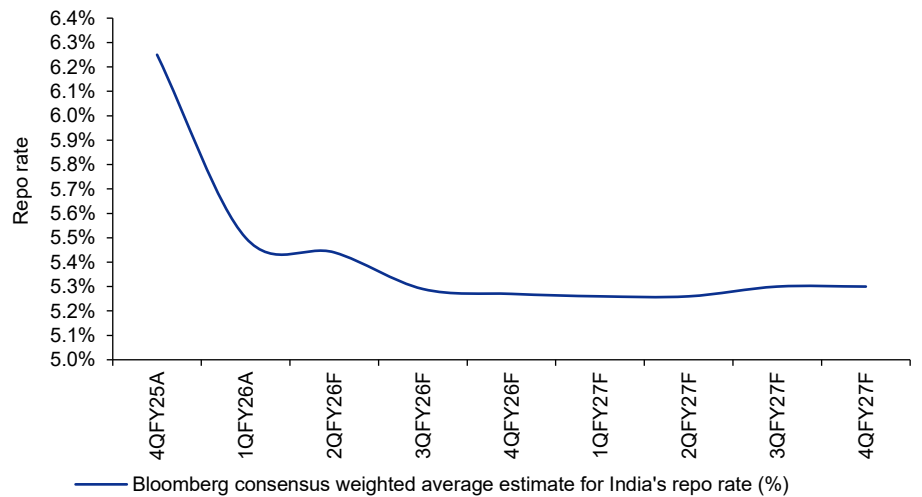
NOTE: CPI IS CONSUMER PRICE INDEX
SOURCE: BLOOMBERG, INCRED RESEARCH

Figure 28: Bloomberg WPI inflation consensus estimates



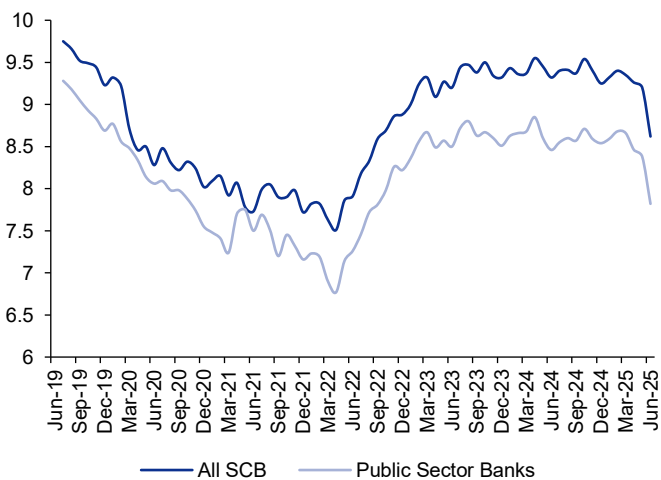
NOTE: WPI IS WHOLESALE PRICE INDEX
SOURCE: BLOOMBERG, INCRED RESEARCH

Figure 29: India's repo rate - Bloomberg consensus expects it to decline in CY25F



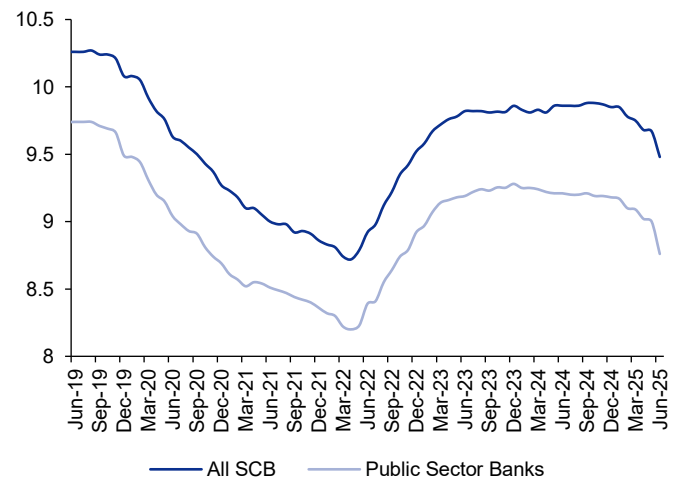
SOURCE: RBI, INCRED RESEARCH

Figure 30: Weighted average lending rate (fresh INR loans)



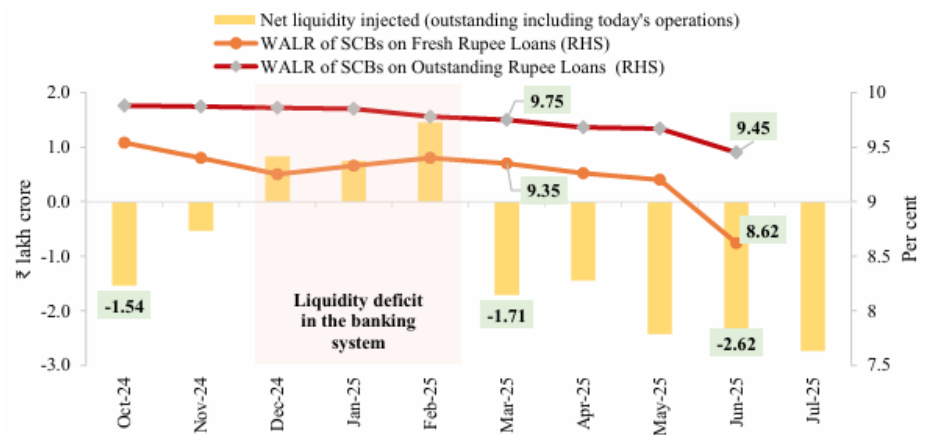
SOURCE: RBI, INCRED RESEARCH

Figure 31: Weighted average lending rate (outstanding INR loans) begins to ease from its peak



SOURCE: RBI, INCRED RESEARCH

Figure 32: Net liquidity infusion by RBI and SCBs' weighted average lending rate trend



NOTE: 1. DATA IS FOR ALL SCHEDULED COMMERCIAL BANKS EXCLUDING REGIONAL RURAL BANKS; 2. DATA ON WALR OF SCBS IS AVAILABLE AS OF 27 AUG 2025.
SOURCE: CMIE, RBI, INCRED RESEARCH

Investment themes

Following the recent consolidation in the broader index, we remain selective on the addition of stocks to our high-conviction list, while exits are in a higher proportion. In Aug 2025, we added our new initiation, E2E Networks, while exiting UPL tactically because of its weak results.

Our high-conviction stocks' performance and recent changes

Recent performance (since the start of the series in Sep 2022):

- Outperformers to Nifty: Thyrocare Technologies (ADD), Camlin Fine Sciences (ADD), and Skipper (ADD).
- Underperformers to Nifty: Tata Consultancy Services (ADD), Bajaj Auto (ADD), and Lupin (ADD).

Addition to the list:

- **E2E Networks (ADD)** - The company has 1) emerged as one of the top-tier cloud GPU infrastructure providers with a comprehensive line-up, 2) a battle-tested software (TIR), and 3) balance sheet strength & parentage post equity infusion by Larsen & Toubro and also trusted by researchers, start-ups, and enterprises, given the price performance & scalability, predictable & affordable pricing, and open-source technology build.

Deletion from the list:

- **UPL (ADD)** - Sharp run-up in the share price overlooks the short-term weak results' impact on consensus estimates.

Technical trend favourable ideas - Shriram Finance (ADD) and Skipper (ADD).

Figure 33: High-conviction stocks' price absolute performance since their introduction on 10 Sep 2022

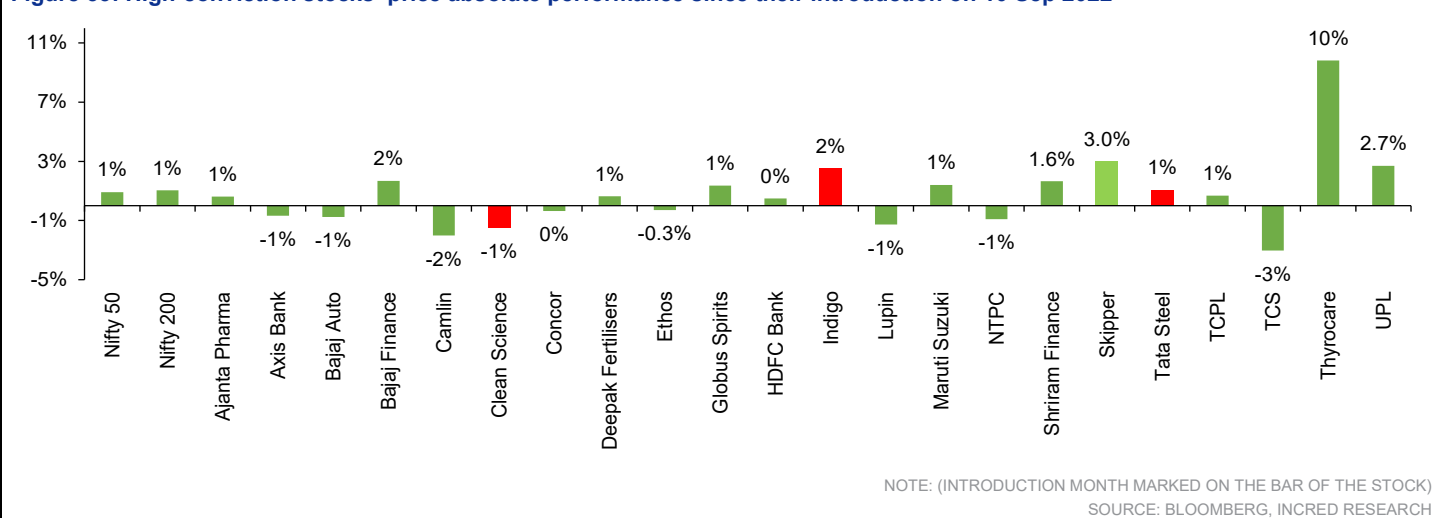
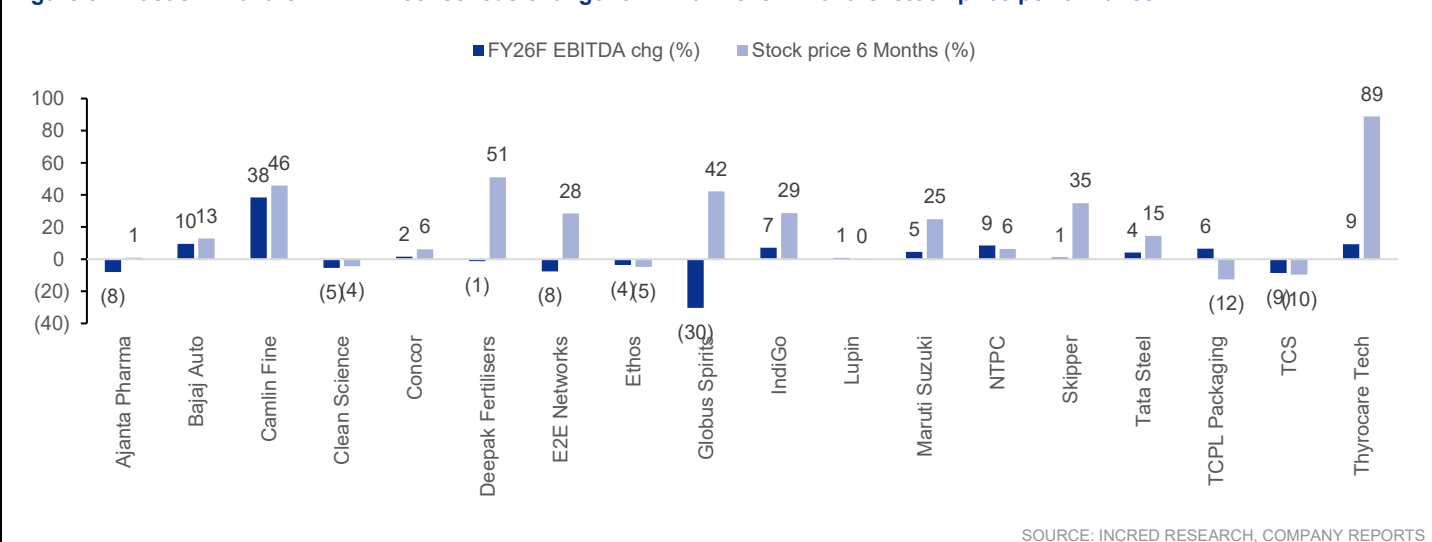


Figure 34: Last six months' EBITDA consensus change for FY26F vs. six months' stock price performance



Nifty's easing EPS growth trend persists

EPS growth tapering continues ➤

For the seasonally weak Jun 2025 quarter, Nifty-50 companies reported PAT growth of just 2% yoy and 2.6% qoq. The sales growth weakness prolonged to a record, with just a 6% rise yoy; however, EBITDA growth was just 8% yoy (excluding BFSI, commodity and telecom sectors, it was flattish yoy), the lowest growth in recent quarters. The double-digit EBITDA growth was only in cement, telecom, and oil & gas sectors.

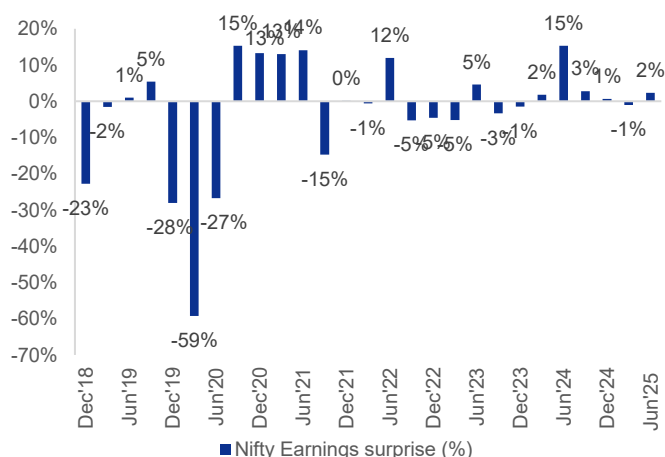
The broader Nifty-200 index stocks witnessed a 6% yoy sales growth, overcome by better cost control, leading to a 10% EBITDA growth yoy. However, adjusted for banking, commodity and telecom sectors, EBITDA yoy growth eased to a recent low of 4% yoy. Superior EBITDA growth was witnessed in construction materials, telecom, oil & gas and jewellery sectors. However, EBITDA yoy dip was seen in the case of automobile, FMCG, and plastic product sectors.

The proportion of companies providing a beat on the EPS front eased sharply qoq and broke the sustained improvement seen for the last four quarters.

The downgrade in FY26F-27F Bloomberg Nifty-50 EPS estimates after the recent results season, to the extent of 1-3%, continues. The only sectors to witness EBITDA upgrade in the last two quarters were telecom and industrial. Major cuts were in BFSI and IT sectors. Major double-digit EPS upgrades witnessed in the Nifty-200 universe were in commodity-related companies.

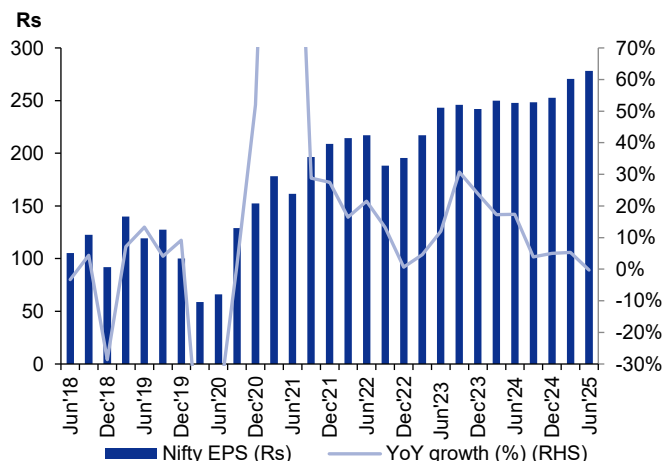
The FY25-26F Bloomberg EPS CAGR for Nifty-50 companies is expected to be 13%, driven by telecom, FMCG and pharmaceutical sectors.

Figure 35: Nifty-50 companies' quarterly EPS beat/miss trend



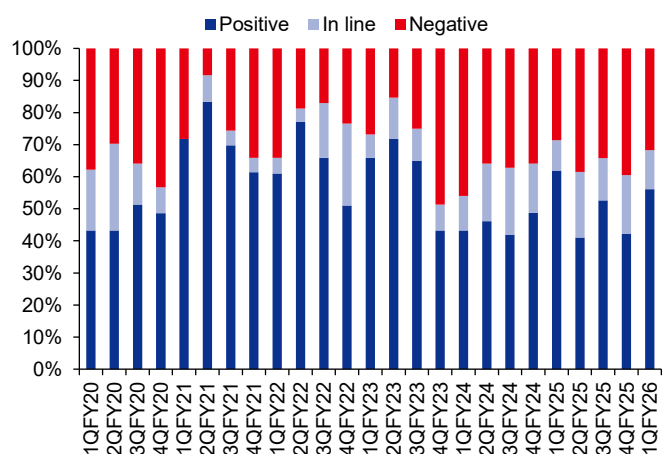
SOURCE: BLOOMBERG, INCRED RESEARCH

Figure 36: Nifty-50 companies reported stable EPS growth



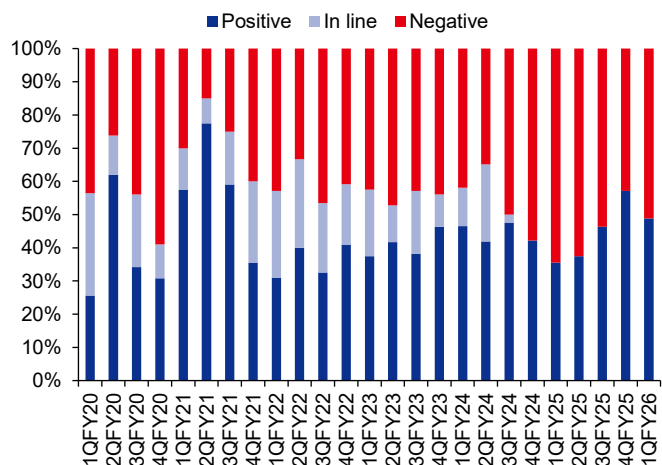
SOURCE: BLOOMBERG, INCRED RESEARCH

Figure 37: Nifty-50 companies' revenue beat/miss proportion mix



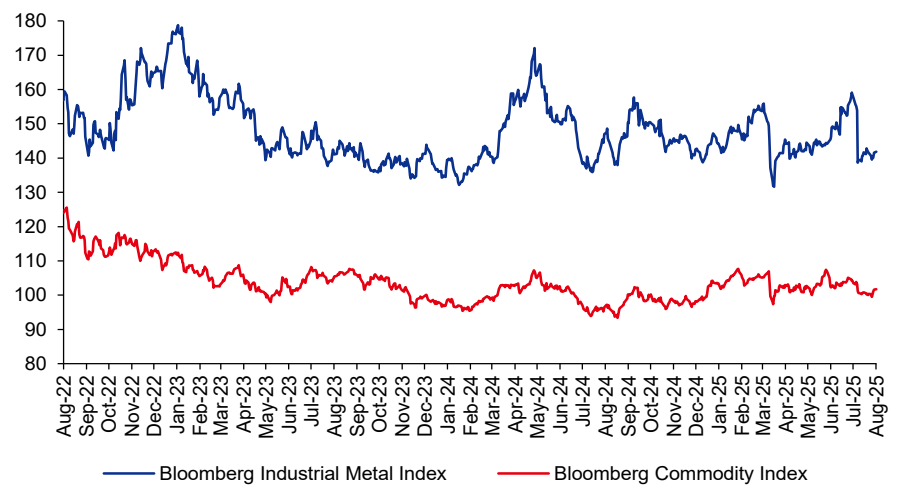
SOURCE: BLOOMBERG, INCRED RESEARCH

Figure 38: Nifty-50 companies' EPS beat/miss proportion mix



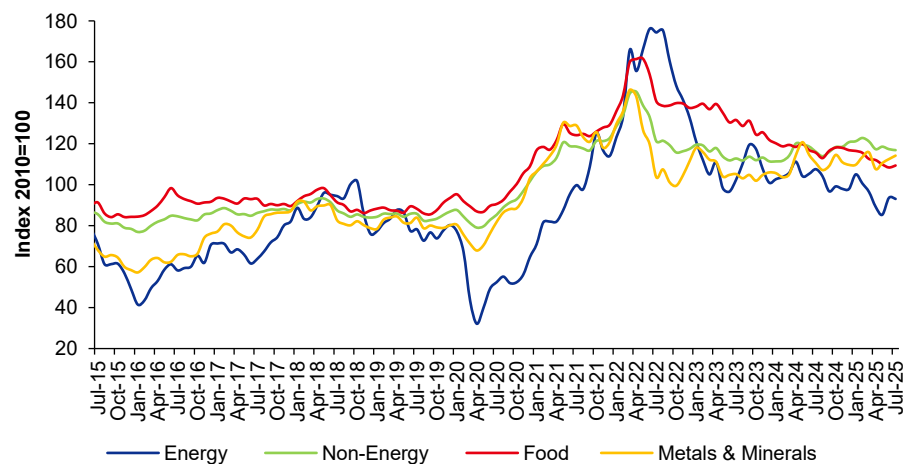
SOURCE: BLOOMBERG, INCRED RESEARCH

Figure 39: Bloomberg Industrial Metal Index eases from its recent peak



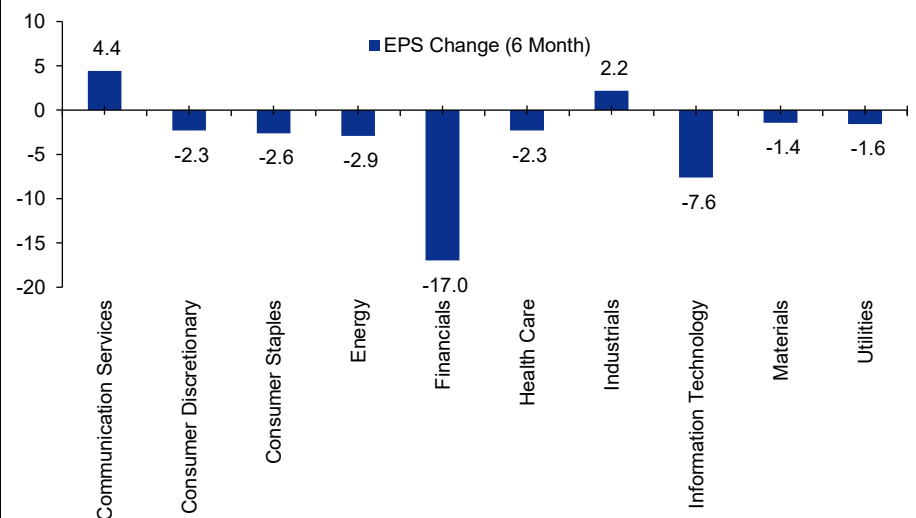
SOURCE: BLOOMBERG, INCRED RESEARCH

Figure 40: The Global Commodity Index trend is stable



SOURCE: BLOOMBERG, INCRED RESEARCH

Figure 41: Sector-wise FY26 EPS changes in the last six months for Nifty-50 index



SOURCE: BLOOMBERG, INCRED RESEARCH

Figure 42: Major Nifty-200 stocks recording BB consensus FY26F EPS changes in the last six months

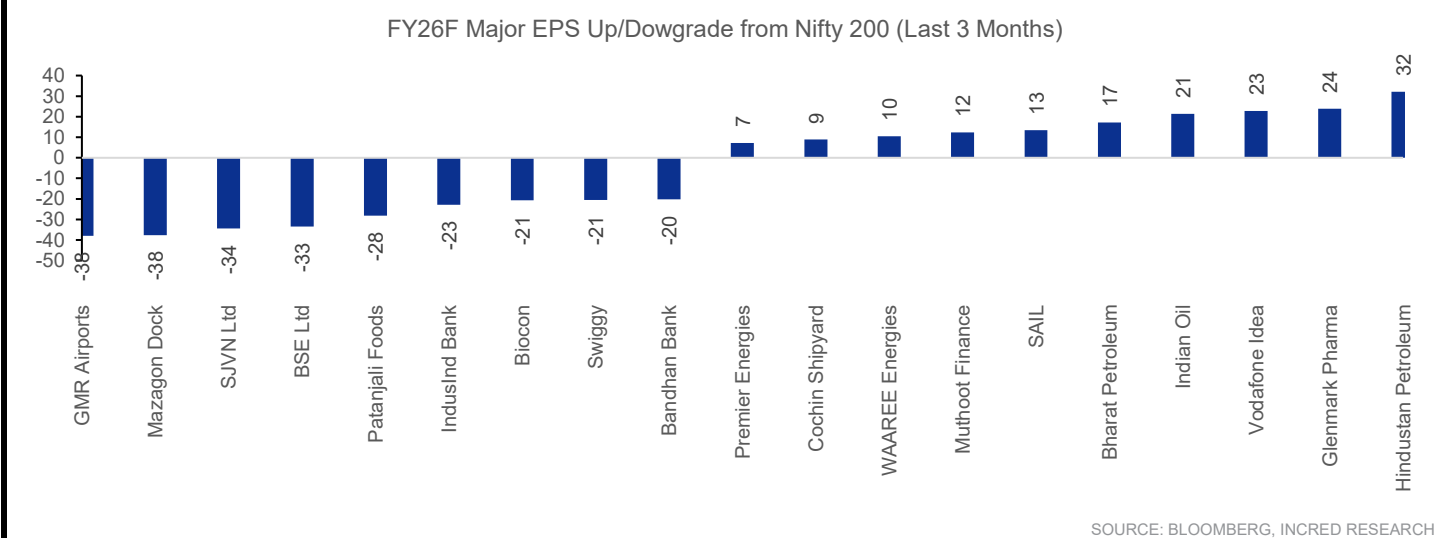


Figure 43: Earnings outlook vs. P/E valuation of Nifty-50 sectors

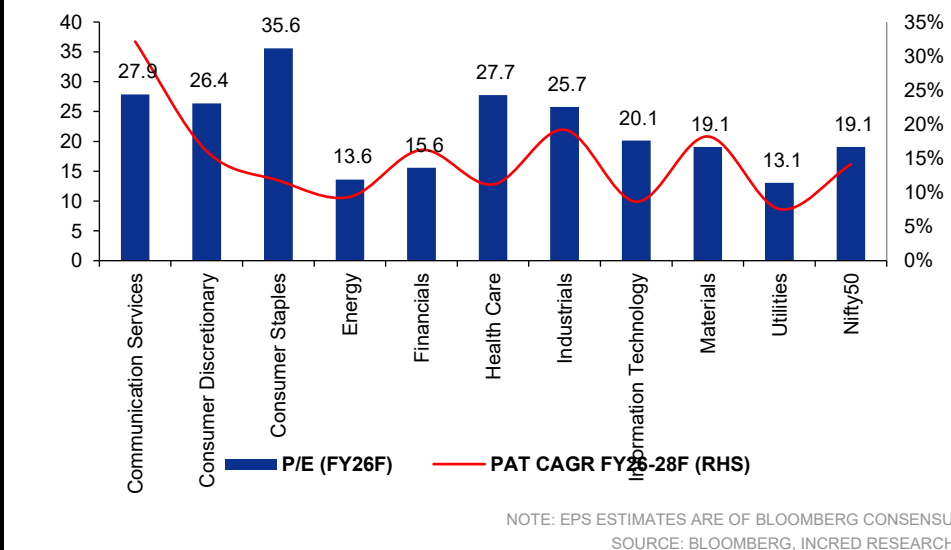


Figure 44: Bloomberg consensus EPS cut trend prevails for Nifty-50 and Nifty-200 constituents

| Nifty-50 EPS | | | Nifty-200 EPS | | |
|--------------|--------|--------|---------------|--------|--------|
| | FY26F | FY27F | | FY26F | FY27F |
| 15 days | -0.57% | -0.42% | 15 days | -0.50% | -0.20% |
| 30 days | -1.66% | -1.18% | 30 days | -1.33% | -0.78% |
| 60 days | -1.47% | -2.49% | 60 days | 4.49% | 4.68% |

NOTE: EPS ESTIMATES ARE OF BLOOMBERG CONSENSUS
SOURCE: BLOOMBERG, INCRED RESEARCH

Nifty valuation and outlook

Index valuation improves to below the mean level ➤

The Nifty-50 index consolidation in recent quarters has been as per our expectations, thereby easing the forward P/E valuation to marginally below the 10-year mean level of 20x. However, the index constituent companies' EPS growth to ease and the cut in Bloomberg consensus estimate prevails for FY26F.

High volatility in the index, we believe, will continue due to global policy actions and India's relative rich valuation compared to Asia (+1SD above the 10-year mean). Government policy action is improving consistently in CY25F, especially for reviving consumer demand i.e. income-tax rate cut, planned GST rate rehaul, fiscal discipline and policy rate cut, which are getting factored in quickly in valuations, while the earnings benefit may be delayed and back-ended.

With GDP growth challenge from global trade tariffs in the short term and the uncertainty around GST rate revision, we lower our bull-case probability to 30% (from 35% earlier) at the benefit of bear-case probability, which cuts our blended Nifty-50 target marginally to 25,368, an upside of ~3%, by the end of Mar 2026F. In a bear-case scenario, we expect a 10.7% downside from current levels and in a bull-case scenario, we expect a 11.6% upside.

Figure 45: Nifty-50 companies' forward P/E valuation is below the 10-year mean level



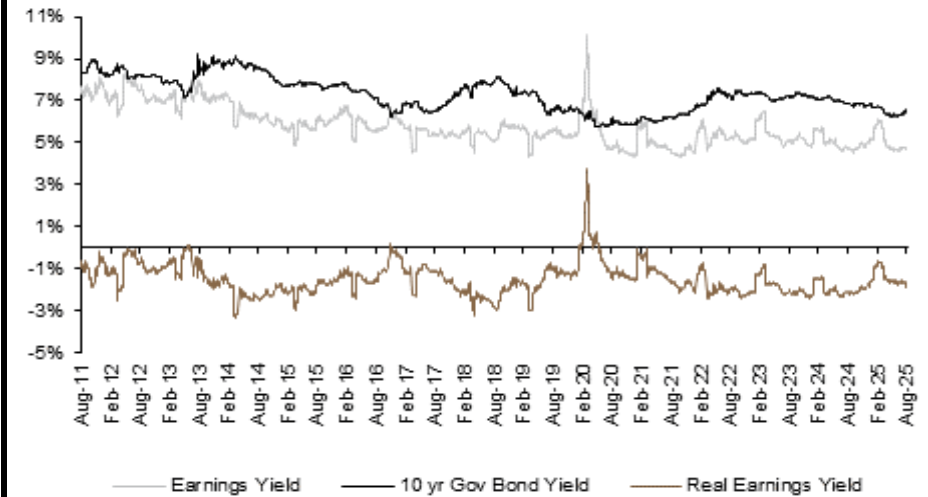
SOURCE: INCRED RESEARCH, BLOOMBERG, COMPANY REPORTS

Figure 46: Nifty-50 companies' forward P/E valuation is above the 15-year mean level



SOURCE: INCRED RESEARCH, BLOOMBERG, COMPANY REPORTS

Figure 47: Real earnings yield for Nifty-50 companies eases



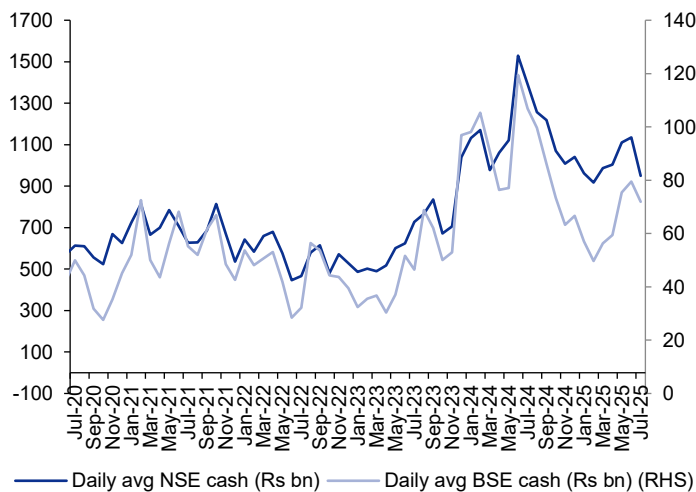
SOURCE: BLOOMBERG, INCRED RESEARCH

Figure 48: Nifty Index target and Bull-case, Base-case and Bear-case scenarios

| | Bull Case | Base Case | Bear Case |
|--------------------------|--|--|---|
| Economic variables FY26F | GDP growth >7%, stable coalition government, Brent crude oil price <US\$75/bbl, inflation <4%, repo rate drops >100bp, above-normal monsoon, and INR at Rs85/USD | GDP growth >6.5%, Brent crude oil price <US\$90/bbl, inflation <5%, repo rate drops >50bp, normal monsoon, and INR at Rs86/USD | GDP growth <6%, wobbly coalition government, rise in geopolitical tensions, Brent crude oil price >US\$100/bbl, inflation >6%, repo rate drops <50bp, poor distribution of rainfall, tariff barriers for exports, and INR at Rs89/USD |
| Probability of event | 30% | 50% | 20% |
| 1-year forward EPS (Rs.) | 1,375.0 | 1,375.0 | 1,375.0 |
| Target P/E (x) | 20.0 | 18.5 | 16.0 |
| Target index | 27,500 | 25,438 | 22,000 |
| Nifty-50 now | 24,635 | 24,635 | 24,635 |
| Up/ downside | 11.6% | 3.3% | -10.7% |
| Blended index target | 25,368 | | |

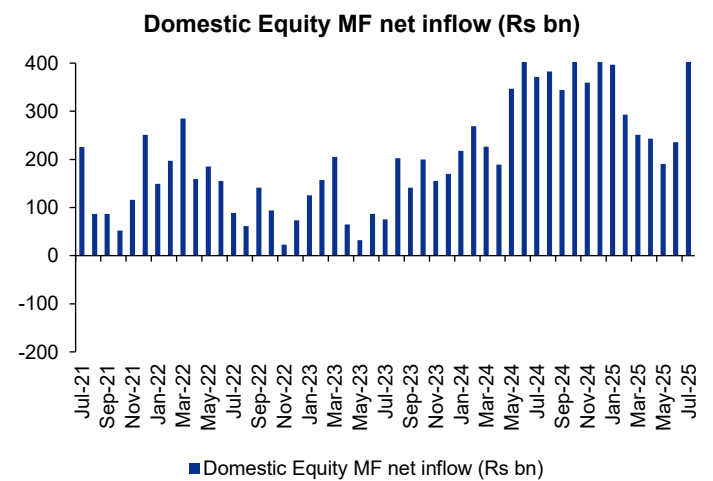
SOURCE: BLOOMBERG CONSENSU EPS, INCRED RESEARCH

Figure 49: Stock market volume eases



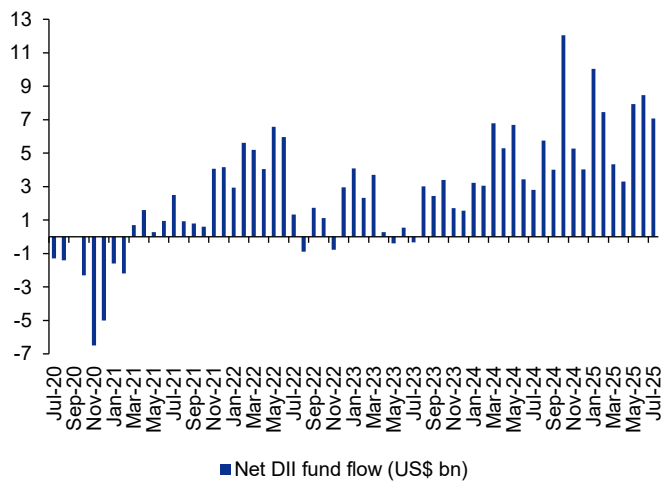
SOURCE: INCRED RESEARCH, BLOOMBERG

Figure 50: Domestic equity mutual funds' net mobilization spikes



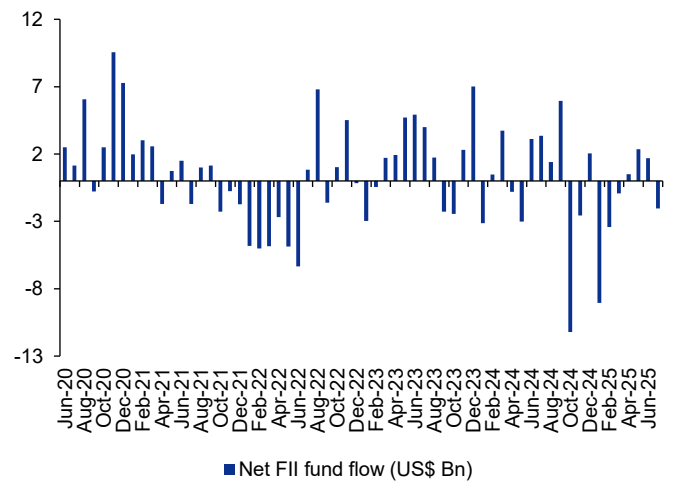
SOURCE: INCRED RESEARCH, BLOOMBERG

Figure 51: Domestic funds' investment continues to be strong



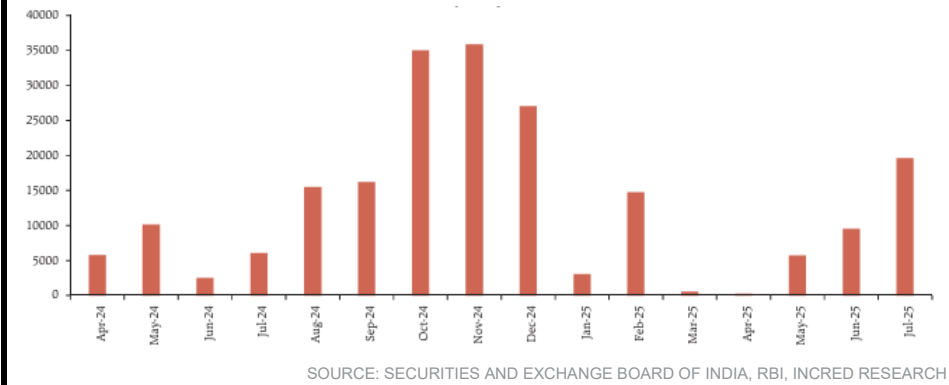
SOURCE: BLOOMBERG, INCRED RESEARCH

Figure 52: FIIs' buying eases in recent months



SOURCE: BLOOMBERG, INCRED RESEARCH

Figure 53: Funds raised via initial public offers on the rise again (Rs.cr)



SOURCE: SECURITIES AND EXCHANGE BOARD OF INDIA, RBI, INCRED RESEARCH

Sector-wise ratings and stock ideas ➤

The Nifty index has been flattish in the last one-month and three-month periods, with mid-caps and small-caps sharply underperforming in the one-month period, recording a decline of 2-4%. The GST rate overhaul has brought cheer to automobile and FMCG sector indices, while the IT index seems to be getting valuation support after a sharp decline. Major underperforming sectors in the recent quarter and the month were real estate, BFSI and energy sectors.

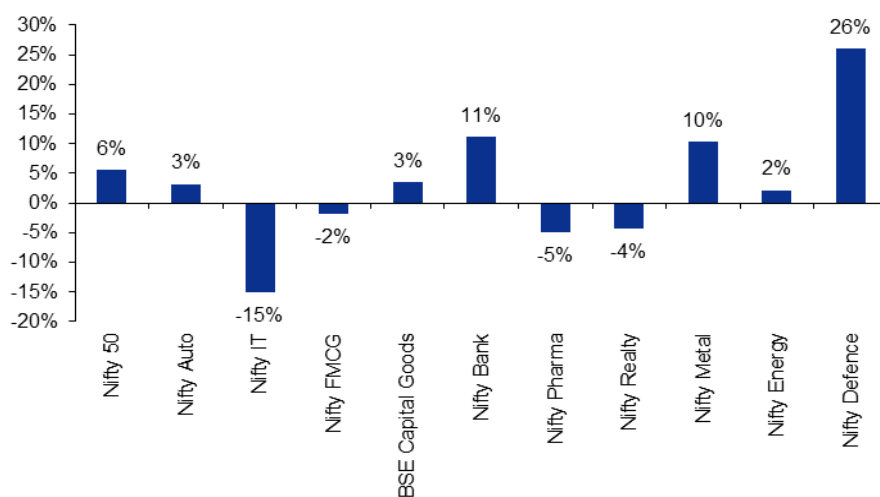
Foreign investors continued to pull out funds from the domestic equity market. The week ended 22 Aug 2025 was the sixth consecutive week to record a net FPI outflow from the equity segment. Foreign portfolio investors (FPIs) took out US\$ 0.12bn from the Indian equity market in the week ended 22 Aug 2025, after taking out US\$0.35bn in the preceding week. Net FPI inflow in the Indian debt market stood at US\$0.71bn in the week ended 22 Aug 2025, making it the fourth consecutive week to record FPI inflow. In total, net FPI inflow in the Indian capital markets was at US\$0.62bn in the week ended 22 Aug 2025, making it the second consecutive week to record a net inflow in domestic capital markets.

New SIPs registered rise to a one-year high: Systematic investment plan or SIP inflow remained resilient in recent months, despite the weakness in the equity market. Inflows (at Rs0.28bn) and new registrations increased (24% yoy in Jul 2025) and the SIP stoppage ratio (62%) eased from its recent peak. One of the reasons for consistent investments via SIP, despite the poor performance of the equity market in Jul 2025, could be easing interest rates on term deposits (35bp in Jul 2025) in the recent rate-easing cycle.

Comparing Bloomberg consensus FY26F EPS change vs. sector returns for the last six months, we feel the valuation rerating has been excessive for sectors like telecom, energy, metals, and utilities.

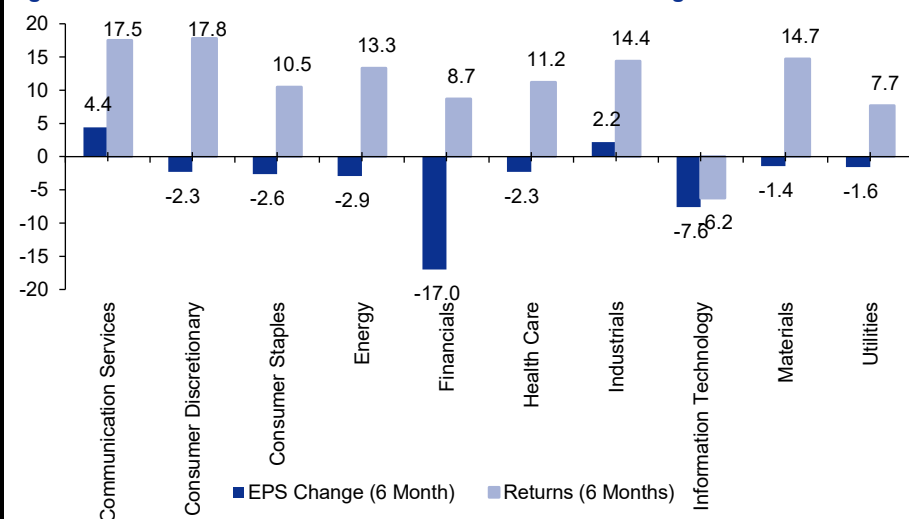
We have upgraded Hindustan Unilever and Blue Dart Express while downgrading Bank of Baroda and Bharat Forge.

Figure 54: Sectoral index performance vs. Nifty-50 (YTD FY26)



SOURCE: BLOOMBERG, INCRED RESEARCH

Figure 55: The last six months' correlation between EPS change and sectoral returns



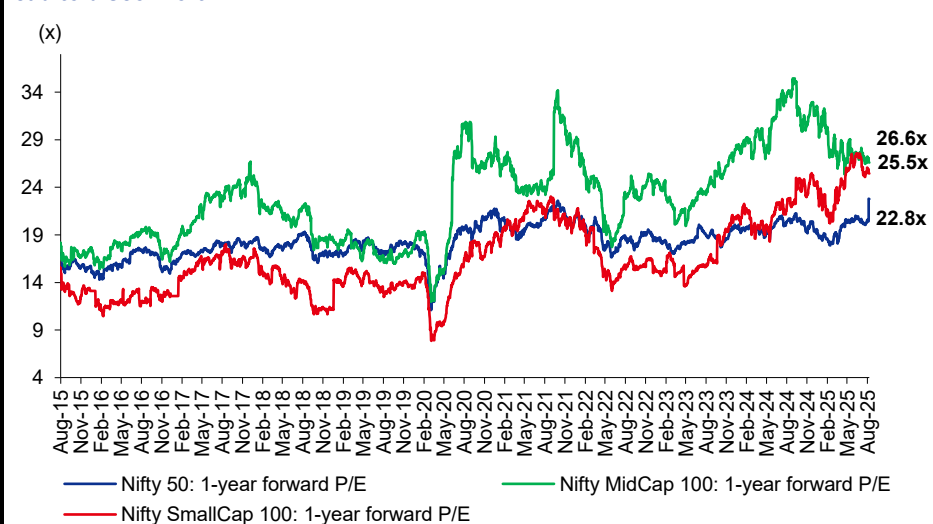
SOURCE: BLOOMBERG, INCRED RESEARCH

Figure 56: Our sector-wise ratings

| Overweight | Neutral | Underweight |
|--------------------|------------------------|--------------------|
| Aluminium | Automobile | Agribusiness |
| Cement | Auto Ancillary | Aviation |
| Defence | Consumer staples | Building Materials |
| Financial Services | Infrastructure | Chemicals |
| Oil and Gas | Information Technology | Metals & Mining |
| Pharmaceuticals | | Ports & Logistics |
| Power Utility | | |

SOURCE: INCRED RESEARCH

Figure 57: Nifty small-cap valuations spiking to near mid-caps' forward P/E valuations lead to discomfort



SOURCE: BLOOMBERG, INCRED RESEARCH

Figure 58: Non-consensus stocks with ADD/REDUCE ratings in our coverage universe

| Company Name | Bloomberg Ticker | Rating | Price Rs | Target Price Rs | Market Cap. (Rs bn) | Market Cap. (US\$ bn) | EPS (Rs) | | P/E (x) | | P/BV (x) | | EV/EBITDA (x) | Dividend Yield (%) | Up/Downside (%) | ROE (%) |
|-----------------------|------------------|--------|----------|-----------------|---------------------|-----------------------|----------|-------|---------|---------|----------|-------|---------------|--------------------|-----------------|---------|
| | | | | | | | FY26F | FY27F | FY26F | FY27F | FY26F | FY27F | | | | |
| Apollo Tyres | APTY IN | REDUCE | 457 | 378 | 290 | 3 | 23.0 | 28.8 | 19.9 | 15.9 | 2.5 | 2.2 | 7.3 | 1.5 | -17% | 13.1 |
| Astral | ASTRA IN | REDUCE | 1,390 | 1,200 | 373 | 4 | 20.4 | 23.4 | 68.2 | 59.5 | 9.2 | 8.2 | 35.6 | - | -14% | 14.3 |
| Balrampur Chini Mills | BRCM IN | REDUCE | 559 | 521 | 113 | 1 | 20.4 | 19.5 | 27.4 | 28.6 | 2.7 | 2.5 | 18.2 | 0.2 | -7% | 14.1 |
| Clean Science & Tech. | CLEAN IN | REDUCE | 1,135 | 683 | 120 | 1 | 27.1 | 29.8 | 41.9 | 38.1 | 6.9 | 5.8 | 27.6 | - | -40% | 17.9 |
| Coal India | COAL IN | REDUCE | 372 | 209 | 2,293 | 26 | 24.9 | NA | 15.0 | NA | 2.6 | NA | 7.5 | 3.4 | -44% | 18.4 |
| Divi's Laboratories | DIVI IN | ADD | 6,191 | 6,800 | 1,642 | 19 | 95.5 | 114.4 | 64.9 | 54.1 | 9.8 | 8.7 | 46.3 | - | 10% | 16.0 |
| FSN Ecommerce | NYKAA IN | REDUCE | 232 | 103 | 662 | 8 | 0.2 | 0.2 | NA | 1,191.8 | 47.4 | 45.6 | 123.8 | - | -55% | 4.8 |
| Gujarat Gas | GUJGA IN | ADD | 425 | 642 | 292 | 3 | 34.9 | 37.9 | 12.2 | 11.2 | 2.7 | 2.3 | 7.2 | 1.4 | 51% | 24.5 |
| Hyundai Motor India | HYUNDAI IN | REDUCE | 2,492 | 1,612 | 2,023 | 23 | 71.6 | 75.2 | 34.8 | 33.1 | 10.1 | 8.5 | 21.0 | 1.0 | -35% | 32.0 |
| InterGlobe Aviation | INDIGO IN | REDUCE | 6,050 | 3,030 | 2,336 | 27 | 83.0 | 87.5 | 72.9 | 69.1 | 21.0 | 16.1 | 15.8 | - | -50% | 44.9 |
| JSW Steel | JSTL IN | REDUCE | 1,047 | 766 | 2,558 | 29 | 25.9 | 25.9 | 52.1 | 37.8 | 3.8 | 3.5 | 15.0 | 0.6 | -27% | 7.4 |
| Kansai Nerolac Paints | KNPL IN | REDUCE | 234 | 235 | 189 | 2 | 8.2 | 8.9 | 28.5 | 26.4 | 2.9 | 3.0 | 18.3 | 5.0 | 0% | 10.3 |
| Tata Motors | TTMT IN | REDUCE | 682 | 642 | 2,507 | 29 | 70.3 | 84.5 | 9.7 | 8.1 | 1.8 | 1.5 | 3.6 | 1.2 | -6% | 20.3 |
| Tata Steel | TATA IN | REDUCE | 155 | 82 | 1,933 | 22 | 5.4 | NA | 28.7 | NA | 1.6 | NA | 9.5 | 1.3 | -47% | 5.8 |
| TVS Motor Company | TVSL IN | REDUCE | 3,272 | 2,328 | 1,553 | 18 | 62.9 | 66.5 | 51.6 | 49.2 | 12.5 | 10.3 | 31.1 | 0.3 | -29% | 26.6 |

SOURCE: INCRED RESEARCH ESTIMATES, BLOOMBERG,

NOTE: PRICES AS ON 27 AUG 2025

Figure 59: Our key mid-cap and small-cap stock recommendations

| Company Name | Bloomberg Ticker | Rating | Price | Target Price | Market Cap. | Market Cap. | EPS (Rs) | | P/E (x) | | P/BV (x) | | EV/EBITDA (x) | Dividend Yield (%) | Up/Downside (%) | ROE (%) |
|--------------------------|------------------|--------|-------|--------------|-------------|-------------|----------|-------|---------|-------|----------|-------|---------------|--------------------|-----------------|---------|
| | | | Rs | Rs | (Rs bn) | (US\$ bn) | FY26F | FY27F | FY26F | FY27F | FY26F | FY27F | | | | |
| Amber Enterprises | AMBER IN | ADD | 7,229 | 8,055 | 245 | 3 | 140 | 179 | 51.7 | 40.4 | 8.5 | 7.0 | 25.7 | - | 11% | 18.0 |
| Atul | ATLP IN | ADD | 6,261 | 6,727 | 184 | 2 | 203 | 224 | 30.9 | 27.9 | 3.1 | 2.8 | 15.6 | 0.4 | 7% | 10.4 |
| AU Small Finance Bank | AUBANK IN | ADD | 745 | 880 | 555 | 6 | 3 | 4 | 216.9 | 169.7 | 28.2 | 24.3 | 28.2 | 0.2 | 18% | 13.9 |
| Blue Dart Express | BDE IN | ADD | 5,696 | 6,600 | 135 | 2 | 119 | 139 | 47.8 | 40.9 | 7.3 | 6.4 | 14.1 | - | 16% | 16.7 |
| FSN Ecommerce | NYKAA IN | REDUCE | 232 | 103 | 662 | 8 | 0 | 0 | NA | 1,192 | 47.4 | 45.6 | 123.8 | - | -55% | 4.8 |
| Endurance Tech. | ENDU IN | ADD | 2,807 | 3,041 | 394 | 5 | 77 | 89 | 36.3 | 31.4 | 6.0 | 5.1 | 19.1 | 0.4 | 8% | 17.6 |
| Ethos | ETHOSLTD IN | ADD | 2,390 | 3,400 | 64 | 1 | 49 | 68 | 48.4 | 35.2 | 5.3 | 4.6 | 21.7 | - | 42% | 15.8 |
| Globus Spirits | GBSL IN | ADD | 1,243 | 1,850 | 36 | 0 | 69 | 109 | 18.0 | 11.4 | 3.0 | 2.4 | 9.3 | 0.2 | 49% | 18.3 |
| Ipca Laboratories | IPCA IN | ADD | 1,435 | 1,720 | 363 | 4 | 43 | 53 | 33.7 | 27.1 | 4.6 | 4.0 | 18.8 | 0.3 | 20% | 14.6 |
| Jyothy Labs | JYL IN | ADD | 342 | 380 | 125 | 1 | 10 | 11 | 33.2 | 30.5 | 5.4 | 4.8 | 24.6 | 1.0 | 11% | 17.4 |
| Kalpataru Projects Intl. | KPIL IN | ADD | 1,263 | 1,461 | 215 | 2 | 61 | 71 | 20.7 | 17.8 | 2.9 | 2.5 | 11.8 | 0.6 | 16% | 14.7 |
| KEI Industries | KEII IN | ADD | 3,875 | 4,855 | 370 | 4 | 89 | 108 | 43.6 | 35.9 | 5.6 | 4.9 | 28.9 | 0.1 | 25% | 18.3 |
| Lloyds Metals & Energy | LLOYDSME IN | ADD | 1,309 | 1,476 | 684 | 8 | 119 | 149 | 11.0 | 8.8 | 4.5 | 3.0 | 8.3 | - | 13% | 56.5 |
| Metropolis Healthcare | METROHL IN | ADD | 2,160 | 2,250 | 112 | 1 | 39 | 47 | 54.9 | 45.5 | 7.4 | 6.4 | 27.2 | 0.2 | 4% | 18.9 |
| NCC | NJCC IN | HOLD | 212 | 223 | 133 | 2 | 16 | 18 | 13.4 | 12.0 | 1.6 | 1.4 | 9.1 | 0.4 | 5% | 16.9 |
| PI Industries | PI IN | REDUCE | 3,787 | 3,067 | 574 | 7 | 121 | NA | 31.2 | NA | 4.7 | NA | 20.6 | 0.1 | -19% | 16.1 |
| RBL Bank | RBK IN | ADD | 255 | 290 | 156 | 2 | 2 | 3 | 160.7 | 101.1 | 9.4 | 8.7 | 9.4 | 0.6 | 13% | 6.0 |
| Skipper | SKIPPER IN | ADD | 524 | 612 | 60 | 1 | 17 | 22 | 31.0 | 24.0 | 4.3 | 3.6 | 12.7 | 0.0 | 17% | 14.8 |
| Sonata Software | SSOF IN | ADD | 364 | 399 | 102 | 1 | 19 | 22 | 19.1 | 16.7 | 5.2 | 4.5 | 12.0 | 3.0 | 9% | 29.2 |
| TCPL Packaging | TCPL IN | ADD | 3,380 | 4,530 | 31 | 0 | 158 | 198 | 21.4 | 17.1 | 4.0 | 3.3 | 11.0 | 0.7 | 34% | 20.4 |
| UPL | UPLL IN | ADD | 723 | 1,289 | 607 | 7 | 41 | 64 | 17.4 | 11.2 | 1.6 | 1.4 | 8.0 | 1.5 | 78% | 10.3 |
| VRL Logistics | VRLL IN | ADD | 277 | 650 | 48 | 1 | 26 | 25 | 10.8 | 11.2 | 1.9 | 1.7 | 4.9 | 2.5 | 134% | 19.3 |

SOURCE: INCRED RESEARCH ESTIMATES, BLOOMBERG,

NOTE: PRICES AS ON 27 AUG 2025

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: 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. Mayuresh 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.