



India

HOLD (previously ADD)

Consensus ratings*: Buy 12 Hold 6 Sell 5

Current price:	Rs196
Target price:	Rs205
Previous target:	Rs205
Up/downside:	4.6%
InCred Research / Consensus:	1.6%
Reuters:	HEIG.DE
Bloomberg:	HEIM IN
Market cap:	US\$538m Rs44,314m
Average daily turnover:	US\$1.2m Rs99.2m
Current shares o/s:	226.6m
Free float:	25.5%

*Source: Bloomberg

Key changes in this note

- Net sales cut by 2-8% for FY23F-25F.
- EBITDA cut by 6-16% for FY23F-25F.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	0.7	8.5	(21.2)
Relative (%)	1.0	0.7	(17.5)

Major shareholders	% held
Promoter & Promoter Group	69.4
LIC of India	3.6
ICICI Pru Smallcap Fund	2.5

Analyst(s)**Nishant BAGRECHA**

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

Satish KUMAR

T (91) 22 4161 1562
E satish.kumar@incredcapital.com

Heidelberg Cement India Ltd

Limited growth options; cut rating to HOLD

- 2QFY23 EBITDA stood at Rs476m, down 59% yoy and way below our estimate and consensus estimate, led by across-the-board weakness.
- We slash our FY23F-25F EBITDA estimates by 6-16% to factor in 2Q miss. Merger with Zuari Cement and Gujarat plant expansion remain key triggers.
- Downgrade rating to HOLD (from ADD) with unchanged target price of Rs205.

Volume continues to miss expectations while realization holds up

Heidelberg Cement India or HEIM's 2QFY23 cement volume fell by ~19% yoy to 1mt due to weak demand on weather-related problems in central India region and volume decline (sequentially) which was much higher compared to industry due to capacity constraints. Cement realization was down by ~4.6% qoq (up by ~8% yoy). Blended prices rose higher because of improved premium products, and the share of premium products rising by 114% yoy to 55% (HEIM launched MyCem Primo product), but overall trade share fell by 298bp to 83%. The planned capex in Gujarat is in the process of getting environmental clearances (expected by Jun 2023F) and the expansion comprises a) Phase-1: 3mtpa (EUR 200m), and b) Phase-2: 3mtpa - likely to start by FY27F. The capex plan stays on track to increase its clinker capacity by 0.3mtpa and grinding capacity by 0.5mtpa via debottlenecking.

Unit EBITDA at Rs476 - down by Rs470 yoy and Rs380 qoq

Total cost/t increased by ~3% qoq and 23% yoy to Rs4,585. P&F cost/t rose by 47% yoy but was flat qoq at Rs1,895 as pet-coke prices became cheaper, and HEIM used 31% coal in its fuel mix (vs. 38% in 1QFY23). In 2Q, the share of green power increased to ~34% vs. 30% qoq. On per kcal basis, fuel cost stood at Rs3.13 in 2Q, which has likely peaked out and is expected to decline in coming quarters. Freight cost/t increased by 2% qoq and 11% yoy. As a result, unit EBITDA stood at Rs476/t, down 44% qoq and 50% yoy.

Strong balance sheet & merger with Zuari Cement are key positives

Net debt stood at Rs109m as at end-Sep 2022, which excludes a sum of Rs1.5bn to be received from Zuari Cement during 2HFY23F. On the capex front, total capex to be incurred is Rs1bn in FY23F/FY24F each. The parent company, Heidelberg Materials, owns a 100% stake in South India-based 8mtpa Zuari Cement since 2017. HEIM's merger with Zuari Cement in India has been particularly explored in the recent past after amendments to mining laws. HEIM indicated it is working with the parent on merging with Zuari Cement.

Downgrade rating to HOLD on lack of performance in volume terms

HEIM trades at FY24F/25F EV/EBITDA multiple of 8.7x/7.4x and EV/t of US\$83/US\$77, respectively. We downgrade HEIM's rating to HOLD (from ADD earlier). Our target price of Rs205 (unchanged) is based on 8.5x Sep 2024F EV/EBITDA. **Downside risks:** Weak demand, pricing & cost pressure, and lack of visibility on the next phase of expansion. **Upside risks:** Merger with Zuari, better-than-expected demand recovery and pricing growth in central India, value-accretive acquisition, and better-than-expected cost control.

Financial Summary

	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Revenue (Rsm)	21,167	22,970	24,047	26,360	28,434
Operating EBITDA (Rsm)	5,066	4,346	3,308	4,766	5,541
Net Profit (Rsm)	3,150	2,523	1,647	2,748	3,322
Core EPS (Rs)	13.9	11.1	7.3	12.1	14.7
Core EPS Growth	17.5%	(19.9%)	(34.7%)	66.8%	20.9%
FD Core P/E (x)	14.07	17.57	26.90	16.13	13.34
DPS (Rs)	6.0	9.0	6.2	8.9	10.8
Dividend Yield	3.07%	4.60%	3.16%	4.56%	5.51%
EV/EBITDA (x)	8.48	9.76	12.77	8.76	7.44
P/FCFE (x)	31.37	30.18	44.49	22.97	19.22
Net Gearing	(9.2%)	(12.3%)	(13.0%)	(15.5%)	(17.6%)
P/BV (x)	2.97	2.83	2.79	2.67	2.53
ROE	22.4%	16.5%	10.4%	16.9%	19.5%
% Change In Core EPS Estimates			(0.41%)	(0.30%)	(0.26%)
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Limited growth options; cut rating to HOLD

Figure 1: Standalone quarterly performance (2QFY23)

Particulars (Rs m)	2QFY23	2QFY23F	1QFY23	2QFY22	% Change		
					2QFY23F	1QFY23	2QFY22
Net sales	5,061	6,133	5,899	5,765	-17%	-14%	-12%
Raw materials consumed	890	908	893	973	-2%	0%	-9%
Freight and forwarding expenses	680	796	737	754	-15%	-8%	-10%
Power and fuel cost	1,895	2,460	2,103	1,588	-23%	-10%	19%
Employee cost	318	346	339	328	-8%	-6%	-3%
Other expenses	803	900	876	957	-11%	-8%	-16%
Total expenditure	4,585	5,411	4,948	4,600	-15%	-7%	0%
EBITDA	476	722	950	1,165	-34%	-50%	-59%
Depreciation	281	284	280	282	-1%	0%	0%
EBIT	195	438	670	883	-56%	-71%	-78%
Interest	207	85	80	112	142%	158%	84%
Other Income	110	121	103	139	-9%	7%	-21%
PBT	98	473	693	909	-79%	-86%	-89%
Tax	28	142	177	314	-80%	-84%	-91%
Recurring PAT	70	331	516	596	-79%	-86%	-88%
Extraordinary items	0	0	0	0			
Reported PAT	70	331	516	596	-79%	-86%	-88%
EPS (Rs)	0.3	1.5	2.3	2.6	-79%	-86%	-88%
Margins (%)	2QFY23	2QFY23F	1QFY23	2QFY22	Est.	qoq	yoy
Gross margin	32%	32%	37%	43%	-54 bp	-515 bp	-1,096 bp
EBITDA margin	9%	12%	16%	20%	-237 bp	-671 bp	-1,080 bp
EBIT margin	4%	7%	11%	15%	-329 bp	-752 bp	-1,147 bp
PBT margin	2%	8%	12%	16%	-578 bp	-981 bp	-1,383 bp
PAT margin	1%	5%	9%	10%	-401 bp	-736 bp	-895 bp
Tax rate	28%	30%	26%	34%	-153 bp	293 bp	-602 bp
Cost items as a % of sales							
RM + freight + P&F cost	68%	68%	63%	57%	55 bp	515 bp	1,096 bp
Employee cost	6%	6%	6%	6%	63 bp	53 bp	58 bp
Other expenses	16%	15%	15%	17%	119 bp	102 bp	-73 bp

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

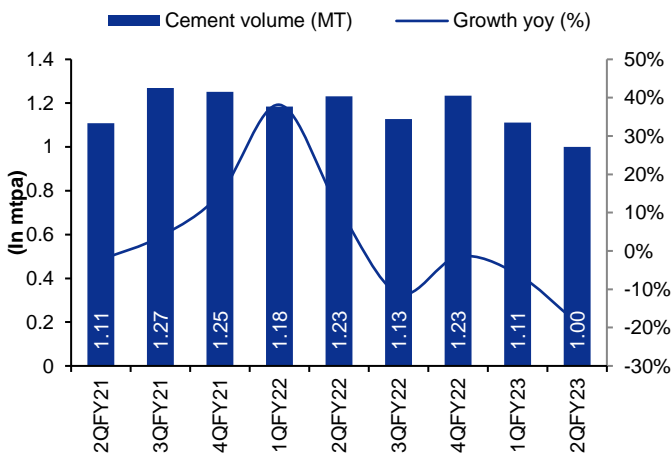
Figure 2: 2QFY23 results on per tonne analysis

Per tonne analysis	2QFY23	2QFY23F	1QFY23	2QFY22	% Change		
					2QFY23F	1QFY23	2QFY22
Sales volume (cement + clinker)	1.00	1.21	1.11	1.23	-17%	-10%	-19%
Realization	5,061	5,086	5,305	4,683	-0.5%	-4.6%	8.1%
Adj. EBITDA/t	476	599	855	946	-21%	-44%	-50%
RM cost/t	890	753	803	790	18%	11%	13%
P&F cost/t	1,895	2,040	1,892	1,290	-7%	0%	47%
Freight cost/t	680	661	663	613	3%	2%	11%
Employee cost/t	318	287	305	267	11%	4%	19%
Other expenses/t	803	747	787	777	8%	2%	3%
Cost/t	4,585	4,488	4,450	3,737	2%	3%	23%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

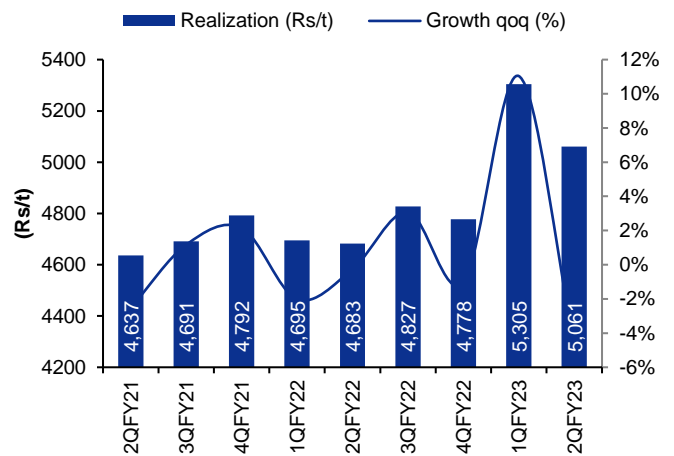
Key charts ➤

Figure 3: Cement sales volume down ~19% yoy and 10% qoq



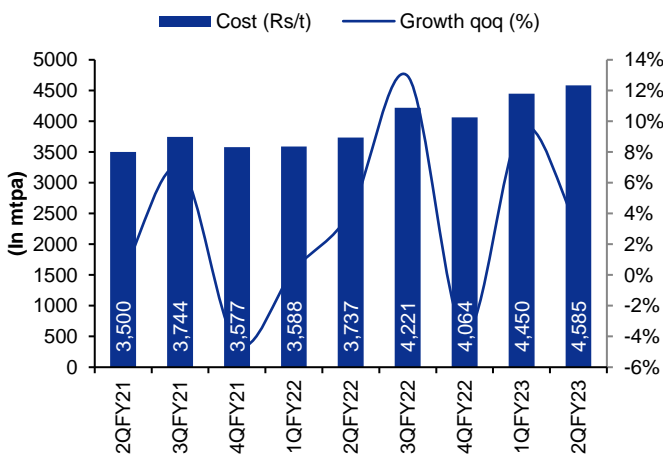
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Cement realization improved by 8% yoy while it declined 4.6% qoq in 2QFY23



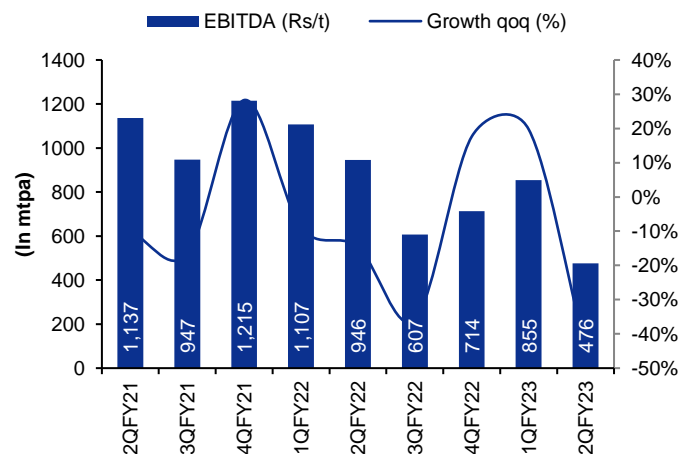
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Cost/t increased by 23% yoy and 3% qoq mainly due to higher energy cost and fixed expenses



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: EBITDA/t down by 50% yoy and 44% qoq to Rs476 on higher operating cost



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 7: Revision in our earnings estimates

Rs. m	New			Old			Change (%)		
	FY23F	FY24F	FY25F	FY23F	FY24F	FY25F	FY23F	FY24F	FY25F
Sales	24,047	26,360	28,434	26,047	27,393	29,093	-8%	-4%	-2%
EBITDA	3,307	4,765	5,540	3,837	5,054	5,862	-16%	-6%	-6%
PAT	1,646	2,747	3,321	1,956	3,053	3,692	-19%	-11%	-11%
EPS (Rs.)	7.3	12.1	14.7	9	13	16	-20%	-11%	-11%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 8: Changes in our estimates vs. Bloomberg consensus estimates

Rs. m	Incred		Consensus			Change (%)			
	FY23F	FY24F	FY23F	FY24F	FY25F	FY23F	FY24F	FY25F	
Sales	24,047	26,360	28,434	25,303	27,200	29,630	-5%	-3%	-4%
EBITDA	3,307	4,765	5,540	3,897	5,112	5,878	-15%	-7%	-6%
PAT	1,646	2,747	3,321	2,234	3,195	3,748	-26%	-14%	-11%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG

Figure 9: Key assumptions

	FY21	FY22	FY23F	FY24F	FY25F
Volume (mtpa)	4.5	4.8	4.7	5.0	5.4
yoy	-5%	6%	-2%	8%	7%
Realization (per t)	4,652	4,681	5,163	5,240	5,293
yoy	2%	1%	10%	1%	1%
Cost (per t)	3,589	3,899	4,453	4,293	4,261
yoy	3%	9%	14%	-4%	-1%
EBITDA (per t)	1,129	910	710	947	1,031
yoy	1%	-19%	-22%	33%	9%
EBITDA (Rs m)	5,066	4,346	3,307	4,765	5,540
yoy	-4%	-14%	-24%	44%	16%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 10: Our TP of Rs205 is based on 8.5x (unchanged) Sep 2024F EV/EBITDA

Valuation	TP
Target EV/EBITDA (x)	8.5
Target EV (Rs m)	46,810
Net debt / (cash) (Rs m)	(2,575)
No. of shares (m)	227
Fair value per share (Rs)	205

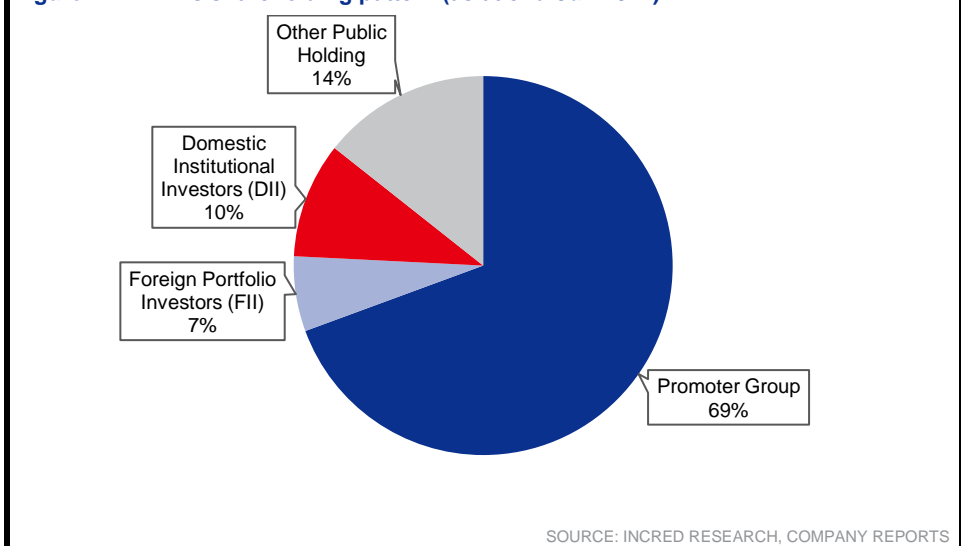
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 11: Cement sector peer comparison

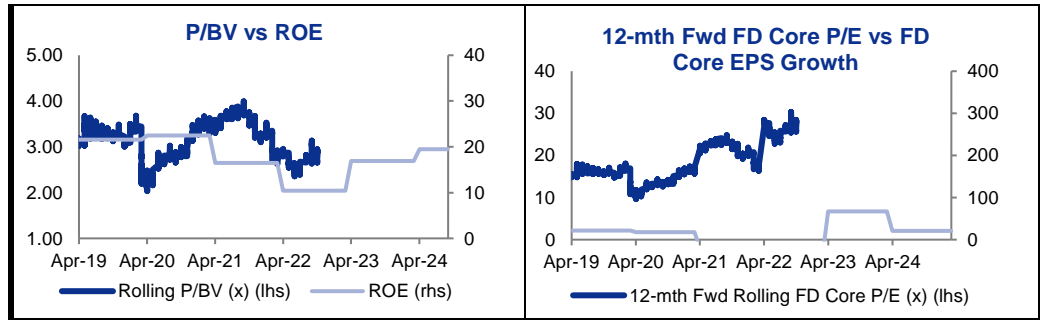
Company	Bloomberg Ticker	Rating	Closing Price (LC)	Target Price (LC)	% Upside	Market cap (US\$ m)	EV/EBITDA (x)		P/BV (x)		RoE (%)		P/E (x)		EV/t (US\$)	
							FY23F	FY24F	FY23F	FY24F	FY23F	FY24F	FY23F	FY24F	FY23F	FY24F
UltraTech Cement	UTCEM IN	ADD	6,347	7,721	22%	22,261	15.7	12.9	3.2	2.9	11.4	13.1	29.6	23.3	176.7	172.0
ACC	ACC IN	ADD	2,219	2,636	19%	5,064	11.3	8.6	2.5	2.3	12.4	14.1	21.5	16.9	117.0	111.5
Ambuja Cements	ACEM IN	HOLD	508	398	-22%	12,252	25.4	23.0	4.1	3.9	9.5	10.1	43.8	39.7	178.0	178.3
Shree Cement	SRCM IN	HOLD	20,968	21,657	3%	9,192	24.5	18.3	4.1	3.7	7.7	11.2	54.9	35.1	204.7	191.2
The Ramco Cements	TRCL IN	ADD	706	879	24%	2,027	15.5	11.4	2.4	2.2	7.7	11.1	32.6	20.9	132.7	115.4
JK Cement	JKCE IN	ADD	2,539	2,883	14%	2,383	16.4	11.9	4.1	3.6	14.6	19.0	29.9	20.1	187.1	147.4
Birla Corp	BCORP IN	ADD	944	1300	38%	883	10.3	7.6	1.2	1.2	4.9	8.5	26.0	14.1	73.2	73.4
Heidelberg	HEIM IN	ADD	196	205	5%	538	12.8	8.8	2.8	2.7	10.4	16.9	26.9	16.1	84.5	83.5
Dalmia Bharat	DALBHARA IN	ADD	1,511	1,901	26%	3,441	12.8	10.3	1.8	1.7	4.4	6.4	41.8	27.0	94.4	82.5
JK Lakshmi	JKLC IN	ADD	546	602	10%	780	9.1	7.9	2.3	2.0	14.4	16.3	17.0	13.1	70.3	73.6
Orient Cement	ORCMNT IN	ADD	124	176	42%	308	6.1	6.3	1.5	1.4	14.0	14.5	11.5	9.9	49.9	46.6
Prism Johnson	PRSMJ IN	ADD	124	142	14%	761	12.9	8.7	4.5	3.9	9.2	18.9	50.9	22.2	139.6	137.5
Mean							14.4	11.3	2.9	2.6	10.1	13.3	32.2	21.5	125.7	117.7
Median							12.9	9.5	2.7	2.5	10.0	13.6	29.7	20.5	124.8	113.4
Minimum							6.1	6.3	1.2	1.2	4.4	6.4	11.5	9.9	49.9	46.6
Maximum							25.4	23.0	4.5	3.9	14.6	19.0	54.9	39.7	204.7	191.2

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG. PRICES AS ON 18 OCT 2022

Figure 12: HEIM's shareholding pattern (as at end-Jun 2022)



BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Total Net Revenues	21,167	22,970	24,047	26,360	28,434
Gross Profit	21,167	22,970	24,047	26,360	28,434
Operating EBITDA	5,066	4,346	3,308	4,766	5,541
Depreciation And Amortisation	(1,110)	(1,121)	(1,137)	(1,160)	(1,195)
Operating EBIT	3,956	3,225	2,171	3,606	4,346
Financial Income/(Expense)	(509)	(364)	(437)	(420)	(407)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	465	491	469	487	502
Profit Before Tax (pre-EI)	3,912	3,351	2,202	3,674	4,441
Exceptional Items					
Pre-tax Profit	3,912	3,351	2,202	3,674	4,441
Taxation	(763)	(829)	(555)	(926)	(1,119)
Exceptional Income - post-tax					
Profit After Tax	3,150	2,523	1,647	2,748	3,322
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	3,150	2,523	1,647	2,748	3,322
Recurring Net Profit	3,150	2,523	1,647	2,748	3,322
Fully Diluted Recurring Net Profit	3,150	2,523	1,647	2,748	3,322

Cash Flow

(Rs mn)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
EBITDA	5,066	4,346	3,308	4,766	5,541
Cash Flow from Invt. & Assoc.					
Change In Working Capital	171	2,325	(8)	(278)	(210)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	465	491	469	487	502
Other Operating Cashflow	(1,471)	(4,325)			
Net Interest (Paid)/Received	(509)	(364)	(437)	(420)	(407)
Tax Paid	672	546	(555)	(926)	(1,119)
Cashflow From Operations	4,395	3,019	2,776	3,630	4,306
Capex	(456)	(464)	(1,000)	(1,250)	(1,500)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(1,276)	114	(730)	(250)	(250)
Cash Flow From Investing	(1,732)	(350)	(1,730)	(1,500)	(1,750)
Debt Raised/(repaid)	(1,250)	(1,200)	(50)	(200)	(250)
Proceeds From Issue Of Shares	(71)	(53)	(1)	(1)	(1)
Shares Repurchased					
Dividends Paid	(1,360)	(2,040)	(1,399)	(2,019)	(2,441)
Preferred Dividends					
Other Financing Cashflow	(358)	11	500	400	400
Cash Flow From Financing	(3,039)	(3,282)	(950)	(1,820)	(2,292)
Total Cash Generated	(376)	(613)	96	310	265
Free Cashflow To Equity	1,413	1,469	996	1,930	2,306
Free Cashflow To Firm	3,171	3,033	1,483	2,550	2,963

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs mn)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Total Cash And Equivalents	4,317	3,821	3,917	4,227	4,491
Total Debtors	333	400	395	433	467
Inventories	1,607	1,731	1,976	2,094	2,181
Total Other Current Assets	3,705	5,890	5,891	6,406	6,966
Total Current Assets	9,962	11,842	12,180	13,160	14,106
Fixed Assets	16,071	15,618	15,481	15,571	15,876
Total Investments		48	48	48	48
Intangible Assets	189	270	1,000	1,250	1,500
Total Other Non-Current Assets	2,232	460	460	460	460
Total Non-current Assets	18,492	16,396	16,989	17,329	17,884
Short-term Debt	1,200	336	336	286	236
Current Portion of Long-Term Debt					
Total Creditors	2,706	2,645	2,734	2,857	3,014
Other Current Liabilities	5,274	5,386	5,531	5,799	6,113
Total Current Liabilities	9,180	8,366	8,600	8,942	9,364
Total Long-term Debt	1,745	1,566	1,516	1,366	1,166
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	2,590	2,653	3,153	3,553	3,953
Total Non-current Liabilities	4,335	4,220	4,670	4,920	5,120
Total Provisions					
Total Liabilities	13,515	12,586	13,270	13,862	14,483
Shareholders Equity	14,939	15,652	15,899	16,627	17,507
Minority Interests					
Total Equity	14,939	15,652	15,899	16,627	17,507

Key Ratios					
	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Revenue Growth	(2.4%)	8.5%	4.7%	9.6%	7.9%
Operating EBITDA Growth	(4.0%)	(14.2%)	(23.9%)	44.1%	16.2%
Operating EBITDA Margin	23.9%	18.9%	13.8%	18.1%	19.5%
Net Cash Per Share (Rs)	6.05	8.47	9.11	11.36	13.63
BVPS (Rs)	65.92	69.07	70.16	73.37	77.25
Gross Interest Cover	7.78	8.85	4.96	8.59	10.67
Effective Tax Rate	19.5%	24.7%	25.2%	25.2%	25.2%
Net Dividend Payout Ratio	43.2%	80.9%	84.9%	73.5%	73.5%
Accounts Receivables Days	5.09	5.82	6.03	5.74	5.78
Inventory Days	26.42	26.52	28.13	28.18	27.44
Accounts Payables Days	59.97	52.43	47.33	47.25	46.80
ROIC (%)	24.5%	19.7%	12.8%	20.5%	23.7%
ROCE (%)	22.6%	18.2%	12.3%	20.0%	23.4%
Return On Average Assets	13.0%	10.2%	7.3%	10.6%	11.9%

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. INH000007793. 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. Whilst 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 are 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 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

	Analyst/ Relative	Entity/ Associates
any financial interests in the company covered in this report (subject company) and nature of such financial interest	NO	NO
actual/beneficial ownership of 1% or more in securities of the subject company at the end of the month immediately preceding the date of publication of the research report or date of the public appearance;	NO	NO
any other material conflict of interest at the time of publication of the research report or at the time of public appearance	NO	NO
received any compensation from the subject company in the past twelve months for investment banking or merchant banking or brokerage services or investment advisory or depository or distribution from the subject company in the last twelve months for products/services other than investment banking or merchant banking or broker- age services or investment advisory or depository or distribution from the subject company in the last twelve months	NO	NO
managed or co-managed public offering of securities for the subject company in the last twelve months	NO	NO
received any compensation or other benefits from the subject company or third party in connection with the research report	NO	NO
served as an officer, director or employee of the subject company	NO	NO
been engaged in market making activity for the subject company	NO	NO

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 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.