

India

**REDUCE** (no change)

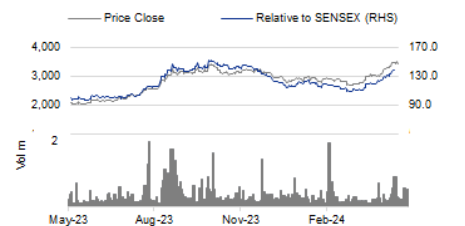
Consensus ratings\*: Buy 6 Hold 6 Sell 10

Current price:	Rs3,445
Target price:	Rs2,385 ▲
Previous target:	Rs2,071
Up/downside:	-30.8%
InCred Research / Consensus:	-11.0%
Reuters:	ESCO.NS
Bloomberg:	ESCORTS IN
Market cap:	US\$4,559m Rs380,705m
Average daily turnover:	US\$11.4m Rs953.0m
Current shares o/s:	110.5m
Free float:	33.7%

\*Source: Bloomberg

**Key changes in this note**

- Sales cut by 3-4% for FY25F-26F.
- EBITDA cut by around 6-8%.
- FY25F-26F EPS cut by 5-6%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	14.0	22.7	65.7
Relative (%)	18.2	21.4	41.7

Major shareholders	% held
Kubota Corporation	53.5
Nanda Family	12.8
HDFC Mutual Fund	1.6

**Research Analyst(s)**



**Pramod AMTHE**

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

**Ravi GUPTA**

T (91) 02241611552  
E ravi.gupta@incredresearch.com

# Escorts Kubota Ltd

## Tractor demand yet to bottom out

- 4Q EPS grew 15% yoy to Rs21.9, a 2% miss to our estimate but in line consensus estimate, as the railway and tractor segments disappointed.
- Management stated that tractor demand is yet to bottom out but is hopeful of 2H recovery leading to low single-digit growth vs. our 6% dip. We cut EBITDA.
- Sharp stock price rally in recent months pulled up valuation to +2SD above the five-year mean and factors in industry demand recovery. Retain REDUCE.

### Tractor and railway divisions disappoint in 4QFY24

Escorts Kubota's 4Q EBITDA fell 15% qoq but was up 13% at Rs2.7bn, 4% below our estimate but in line with Bloomberg consensus estimate. The EBITDA margin dip of 70bp qoq to 12.8% was due to higher other expenses. The strong construction division's EBIT performance (up 35% qoq) helped overcome the tractor segment EBIT margin slip of 270bp qoq and a consecutive quarter dip in railway segment EBIT. PAT grew 15% yoy to Rs2.4bn, a 2% miss vs. our estimate. Dividend per share raised to Rs18, leading to the highest payout ratio of 19%.

### Management conference-call highlights

Management indicated that no signs of tractor demand bottoming out were seen yet. However, building in the above normal monsoon benefit in 2HFY25F, management gave guidance of lower single-digit tractor industry sales volume growth for FY25F. The company expects to gain market share in North India after three years of consolidation. The slowdown in railway projects led to qoq weakness in the railway segment's sales for the second quarter in a row. Management gave guidance of Rs3bn capex for FY25F, excluding the land purchased in Rajasthan for a new plant at a cost of Rs4bn.

### Cut EBITDA by 6-8% for FY25F-26F

We feel the tractor industry is witnessing a typical cyclical downfall, as financiers' non-performing assets, large dealer inventory and reclaimed vehicle park will overweigh for a few quarters. Strong rainfall and a low base can help in volume growth recovery in 2HFY25F. The Kubota export plan roll-out is gradual and may not help to limit the impact of domestic tractor demand dip assumption of 6% for FY25F. Also, building in weakness in the railway segment, we have cut EBITDA by 6-8% for FY25F-26F.

### Rich valuation undermines cyclical tractor demand risk

The mid-cap and automobile sector stock rally in recent months led to a sharp 25% stock price run in the last two months, making the forward P/E and P/BV valuations rise above +2SD of the five-year mean. We feel the above-normal monsoon is factored in current valuation while the recovery will be gradual and back-ended. We maintain our REDUCE rating on the stock with a higher rolled-forward target price of Rs2,385 (Rs2,071 earlier), valuing it at 21x one-year forward P/E, which is the five-year mean level. Government policy on agriculture will be a key upside risk.

### Financial Summary

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	83,450	87,767	91,615	108,251	123,348
Operating EBITDA (Rsm)	7,805	11,687	11,860	13,898	15,974
Net Profit (Rsm)	6,070	10,371	10,621	12,367	14,049
Core EPS (Rs)	61.6	93.9	96.1	111.9	127.1
Core EPS Growth	(11.2%)	52.5%	2.4%	16.4%	13.6%
FD Core P/E (x)	62.72	36.71	35.85	30.78	27.10
DPS (Rs)	7.0	13.0	18.0	21.0	25.0
Dividend Yield	0.24%	0.38%	0.52%	0.61%	0.73%
EV/EBITDA (x)	48.18	31.58	31.49	27.18	23.68
P/FCFE (x)	125.91	40.81	(154.41)	(202.13)	169.17
Net Gearing	(5.6%)	(12.6%)	(7.1%)	(2.7%)	(2.0%)
P/BV (x)	4.51	4.13	3.78	3.44	3.12
ROE	8.3%	11.8%	11.0%	11.7%	12.1%
% Change In Core EPS Estimates			(3.34%)	(4.80%)	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

---

## Tractor demand yet to bottom out

### Management conference-call highlights ►

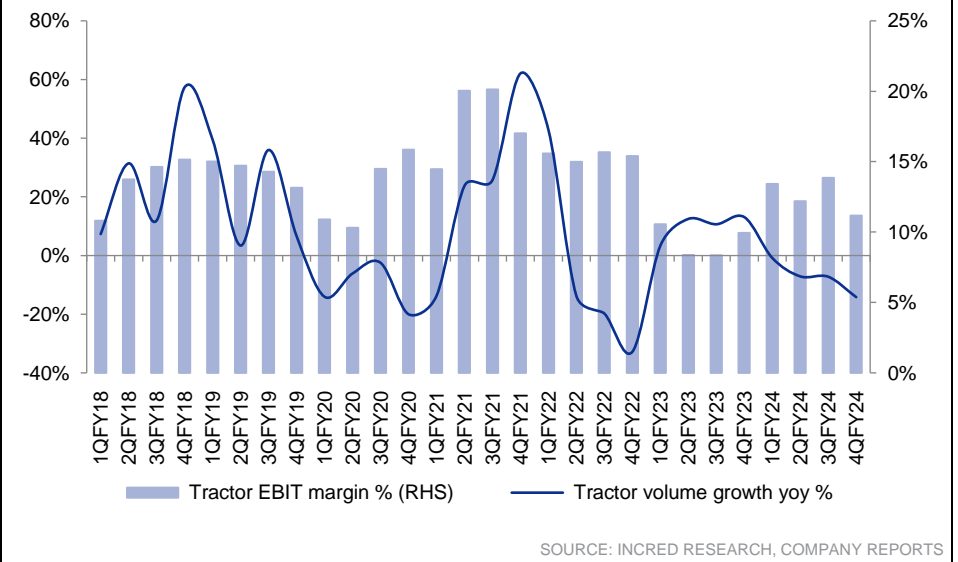
- **Agri machinery:** Management expects the domestic tractor industry to grow in low to mid-single digits in FY25F but the first half of FY25F is likely to decline in volume terms due to unfavourable rainfall and the ongoing general elections in India.
- **Financial performance:** EBIT margin in FY24 expanded by 344bp yoy, driven by softening commodity prices, richer product mix and price action taken during the year. Going ahead, management endeavour is to keep the EBIT margin in the range of 13-14%. Management plans to launch new products in the agri business to cover white spaces in its portfolio.
- **Region-wise performance:** Southern and western regions remain under pressure due to low water levels at reservoirs and northern and central regions witnessing decent growth. Escort Kubota's target is to gain market share in the northern and western regions as it sees market share loss in these regions.
- **Export business:** It is likely to grow faster than the domestic industry due to a low base. Major growth is likely to come from FY26F.
- **Construction equipment:** The segment witnessed EBIT margin growth of 640bp on the back of higher volume, government push to the infrastructure sector, softening cost pressure, product mix, and better realization. Management witnessed some slowdown recently as spending by the government has slowed down due to general elections. Within the segment, pick-and-carry sub-segments witnessed the fastest growth of 52% yoy led by China +1, where Escorts Kubota has market share of 40%.
- **Railway equipment division:** Revenue for the year grew by 13% on yoy basis. The EBIT margin expanded by 510bp yoy and the order book stood at Rs9.5bn at the end of 4QFY24. During the quarter, the company launched three new products for Indian Railways and it expects double-digit revenue growth in FY25F, with the EBIT margin in the range of 17-20%.
- **Capex:** In FY24, the total capex stood at Rs.1.75bn. Management is in discussions with Rajasthan state government for land acquisition to set up the manufacturing plant at a cost of ~Rs.4bn. After the land acquisition, the plant will start production in four-to-five years. For FY25F, management has planned Rs.3bn capex for product development in all three business divisions and the construction of infrastructure.
- **Joint venture and total capacity:** The JV is producing 18-20k units of tractors for the Kubota brand, with 45% of capacity utilization, and making the contract range of tractors for Escorts Kubota at 50% capacity utilization. Escorts Kubota has a total capacity to produce 170,000 units per annum (120k units own and 50k from the JV). The company is importing farm equipment through the JV and trading in it domestically. It is expected to start supplying spare parts to Kubota this year.
- **New NBFC vertical:** The company has submitted an application to the RBI. Typically, it takes 6-8 months for getting the licence. Thus, management is hopeful of receiving the NBFC licence in FY25F.
- **Inventory:** Channel issue is under control while it is 37-39 days for Escorts Kubota.

Figure 1: Results comparison

Y/E Mar (Rs m)	4QFY24	4QFY23	yoy % chg	3QFY24	qoq % chg	FY24	FY23	yoy % chg	Comments for the quarter
Revenue	20,825	21,830	(4.6)	23,204	(10.3)	87,767	83,450	5.2	1% below our estimate.
Raw Material costs	14,181	15,615	(9.2)	16,092	(11.9)	60,371	60,669	(0.5)	
RM as % of revenue	68.1	71.5	(343)	69.4	(125.3)	68.8	72.7	(391.6)	30bp below our estimate.
EBITDA	2,659	2,358	12.8	3,127	(15.0)	11,687	7,805	49.7	4% below our estimate.
EBITDA margin (%)	12.8	10.8	196.6	13.5	(70.6)	13.3	9.4	396.4	43bp below our estimate.
Depreciation & amortization	441	380	15.9	415	6.2	1,664	1,484	12.2	-
EBIT	2,218	1,978	12.1	2,712	(18.2)	10,023	6,321	58.6	
Interest expenses	35	28	25.5	24	45.0	108	103	5.2	
Other income	1,053	763	38.1	1,035	1.8	3,983	2,806	41.9	5% higher than our estimate.
Pretax profit	3,237	2,714	19.3	3,723	(13.0)	13,898	9,024	54.0	2% below our estimate.
Tax	817	615	32.8	950	(14.0)	3,527	1,982	77.9	
Tax rate (%)	25.2	22.7	257	25.5	(29)	25.4	22.0	341.0	
<b>Normalized net profit</b>	<b>2,421</b>	<b>2,099</b>	<b>15.3</b>	<b>2,773</b>	<b>(12.7)</b>	<b>10,371</b>	<b>7,042</b>	<b>47.3</b>	<b>2% below our estimate.</b>
Exceptionals	-	(244)		-	nm	-	(972)	nm	
<b>Reported net profit</b>	<b>2,421</b>	<b>1,855</b>	<b>30.5</b>	<b>2,773</b>	<b>(12.7)</b>	<b>10,371</b>	<b>6,070</b>	<b>70.9</b>	
Normalized EPS (Rs)	21.9	23.6	(7.0)	25.1	(12.7)	93.9	63.7	47.3	
Tractor Volume (nos)	21,253	24,765	(14.2)	25,999	(18.3)	95,858	1,03,290	(7.2)	
Tractor realization (Rs)	6,54,331	6,28,912	4.0	6,37,848	2.6	6,37,412	6,11,492	4.2	0.6% above our estimate.

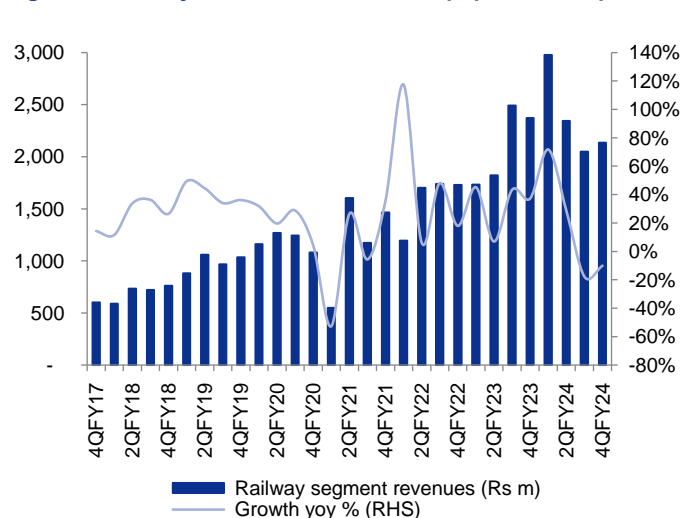
SOURCE INCRED RESEARCH, COMPANY REPORTS

Figure 2: Tractor division's EBIT margin declines



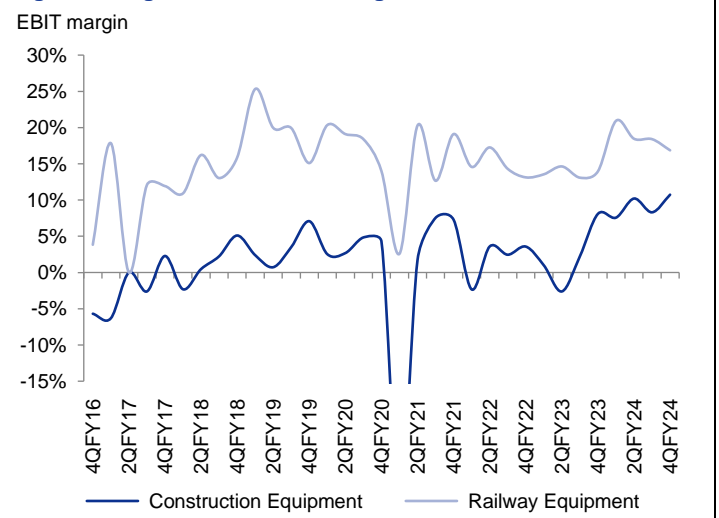
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Railway division's sales down qoq from their peak



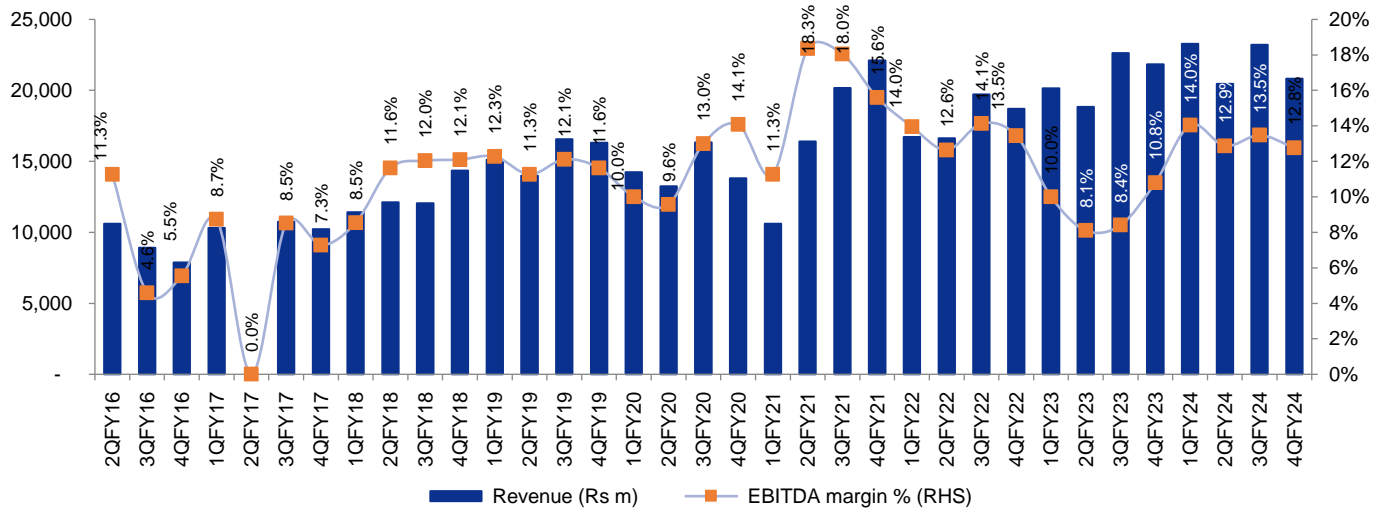
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Segment-wise EBIT margin trend



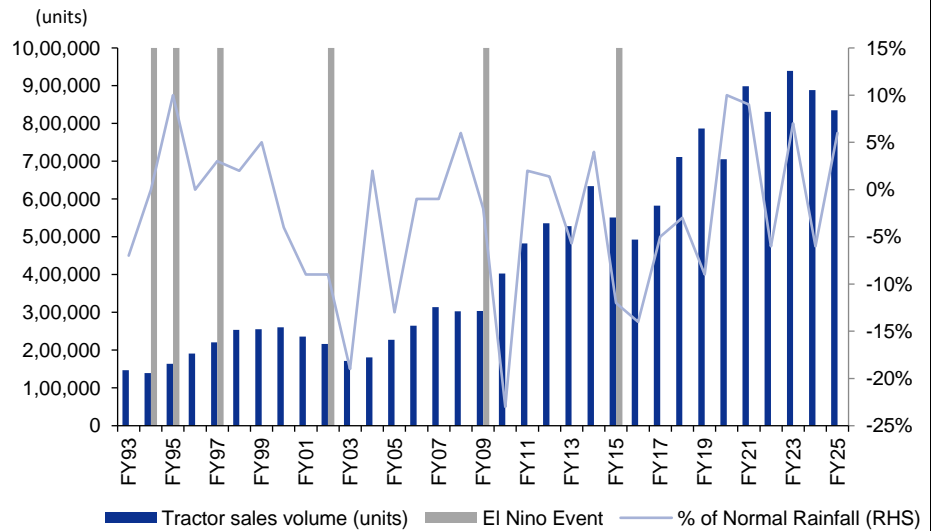
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: EBITDA margin trend



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: Tractor industry's sales volume yet to bottom out; on a cyclical downturn



SOURCE: TRACTOR MANUFACTURE ASSOCIATION, INCRED RESEARCH, COMPANY REPORTS

Figure 7: Our revised earnings estimates

Rs m	FY25F		FY26F	
	Old	New	Old	New
Tractor volume (nos)	88,488	87,396	96,309	95,129
% change		-1.2%		-1.2%
Net sales	95,092	91,615	1,11,189	1,08,251
% change		-3.7%		-2.6%
EBITDA	12,581	11,860	15,042	13,898
% change		-5.7%		-7.6%
EBITDA margin	13.2%	12.9%	13.5%	12.8%
bp change		(22)		(51)
PAT	11,118	10,621	13,144	12,367
% change		-4.5%		-5.9%

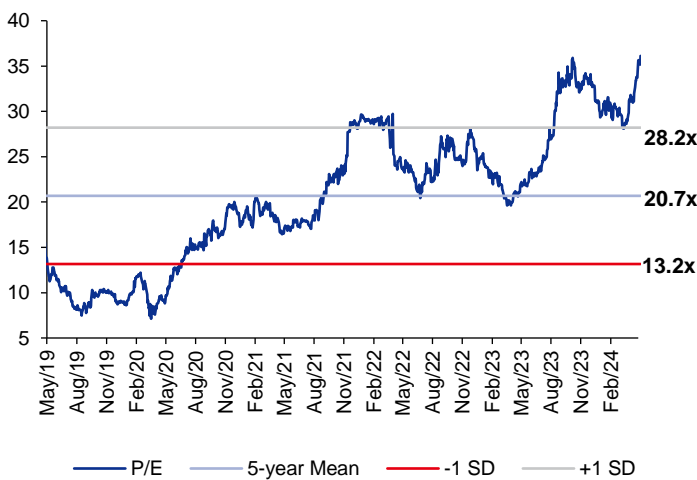
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 8: Key assumptions**

Volume assumptions	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Tractor Volume (units)	1,03,290	95,858	87,396	95,129	1,01,505
Growth yoy %	9.6%	-7.2%	-8.8%	8.8%	6.7%
Construction Equipment volume (units)	4,620	6,548	8,185	9,822	11,295
Growth yoy %	12.2%	41.7%	25.0%	20.0%	15.0%
Total Revenue (Rs m)	83,450	87,767	91,615	1,08,251	1,23,348
Growth yoy %	16.7%	5.2%	4.4%	18.2%	13.9%
EBITDA margin %	9.4%	13.3%	12.9%	12.8%	13.0%
Segment-wise Assumptions					
Tractor Revenue (Rs m)	63,161	61,101	58,697	67,596	74,953
EBIT margin %	9.3%	12.7%	13.5%	13.2%	14.0%
Construction Equipment Revenue (Rs m)	11,790	17,097	22,654	28,543	34,466
EBIT margin %	2.9%	9.3%	9.0%	9.5%	9.0%
Railway Equipment Revenue (Rs m)	8,419	9,504	10,264	12,112	13,929
EBIT margin %	13.8%	18.9%	19.5%	20.0%	19.0%

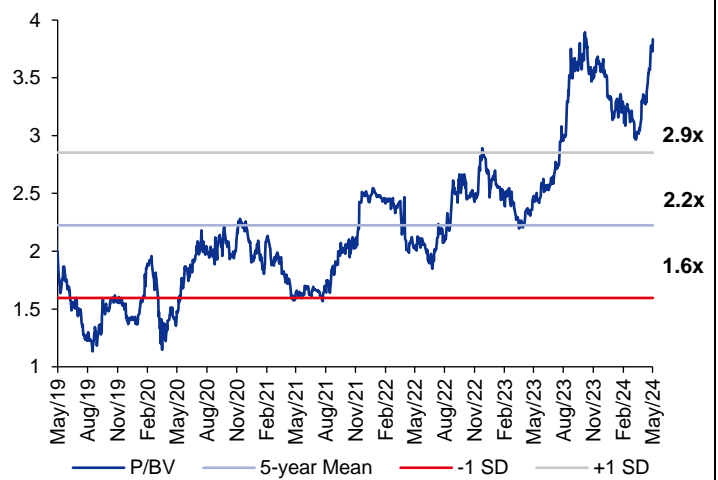
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 9: Forward P/E is rich at +2 standard deviation**



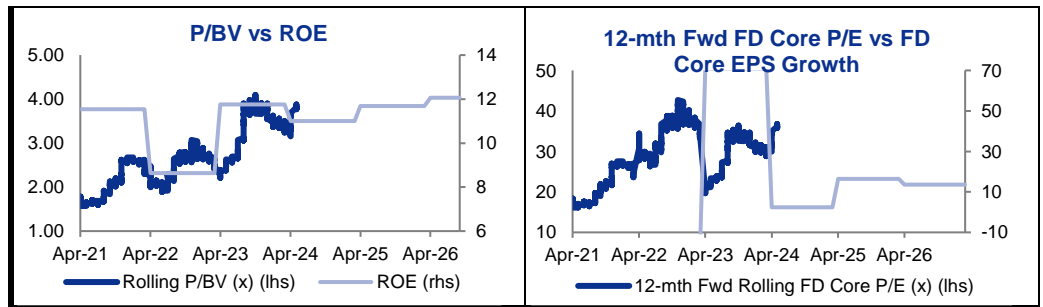
SOURCE: BLOOMBERG, INCRED RESEARCH

**Figure 10: Forward P/BV is super-rich at +3 standard deviation above the mean level**



SOURCE: BLOOMBERG, INCRED RESEARCH

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>Total Net Revenues</b>	83,450	87,767	91,615	108,251	123,348
<b>Gross Profit</b>	22,781	27,396	29,042	33,883	38,238
<b>Operating EBITDA</b>	7,805	11,687	11,860	13,898	15,974
Depreciation And Amortisation	(1,484)	(1,664)	(1,890)	(2,046)	(2,348)
<b>Operating EBIT</b>	6,321	10,023	9,969	11,852	13,626
Financial Income/(Expense)	(103)	(108)	(70)	(50)	(50)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	2,806	3,983	4,262	4,688	5,157
<b>Profit Before Tax (pre-EI)</b>	9,024	13,898	14,161	16,490	18,733
Exceptional Items	(972)				
<b>Pre-tax Profit</b>	8,052	13,898	14,161	16,490	18,733
Taxation	(1,982)	(3,527)	(3,540)	(4,122)	(4,683)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	6,070	10,371	10,621	12,367	14,049
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	6,070	10,371	10,621	12,367	14,049
Recurring Net Profit	6,802	10,371	10,621	12,367	14,049
<b>Fully Diluted Recurring Net Profit</b>	6,802	10,371	10,621	12,367	14,049

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>EBITDA</b>	7,805	11,687	11,860	13,898	15,974
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(3,803)	(437)	(525)	(1,047)	(847)
(Incr)/Decr in Total Provisions	(392)	1,827	608	300	200
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	(972)				
Net Interest (Paid)/Received	2,703	3,875	4,192	4,638	5,107
Tax Paid	(1,982)	(3,527)	(3,540)	(4,122)	(4,683)
<b>Cashflow From Operations</b>	3,360	13,426	12,595	13,666	15,750
Capex	(2,304)	(1,842)	(8,491)	(5,500)	(3,500)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	1,968	(2,255)	(6,569)	(10,050)	(10,000)
<b>Cash Flow From Investing</b>	(336)	(4,097)	(15,060)	(15,550)	(13,500)
Debt Raised/(repaid)					
Proceeds From Issue Of Shares		(931)			
Shares Repurchased					
Dividends Paid	(924)	(1,437)	(1,989)	(2,321)	(2,763)
Preferred Dividends					
Other Financing Cashflow					
<b>Cash Flow From Financing</b>	(924)	(2,367)	(1,989)	(2,321)	(2,763)
Total Cash Generated	2,100	6,962	(4,455)	(4,204)	(512)
<b>Free Cashflow To Equity</b>	3,024	9,329	(2,466)	(1,884)	2,250
<b>Free Cashflow To Firm</b>	3,127	9,438	(2,396)	(1,834)	2,300

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

**Balance Sheet**

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Cash And Equivalents	4,685	11,647	7,192	2,988	2,476
Total Debtors	12,076	12,086	11,797	13,346	14,531
Inventories	11,590	11,581	12,550	13,346	14,531
Total Other Current Assets	4,405	4,512	4,881	5,231	5,531
<b>Total Current Assets</b>	<b>32,756</b>	<b>39,826</b>	<b>36,420</b>	<b>34,911</b>	<b>37,070</b>
Fixed Assets	20,725	23,689	26,798	30,252	31,404
Total Investments	50,306	52,826	59,326	69,326	79,326
Intangible Assets					
Total Other Non-Current Assets					
<b>Total Non-current Assets</b>	<b>71,030</b>	<b>76,514</b>	<b>86,124</b>	<b>99,578</b>	<b>110,730</b>
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	12,329	11,893	12,048	13,346	14,869
Other Current Liabilities	4,300	6,076	6,576	7,076	7,576
<b>Total Current Liabilities</b>	<b>16,628</b>	<b>17,969</b>	<b>18,624</b>	<b>20,422</b>	<b>22,445</b>
Total Long-term Debt					
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
<b>Total Non-current Liabilities</b>					
Total Provisions	2,105	2,743	3,151	3,251	3,251
<b>Total Liabilities</b>	<b>18,733</b>	<b>20,711</b>	<b>21,775</b>	<b>23,673</b>	<b>25,696</b>
Shareholders Equity	84,348	92,138	100,770	110,817	122,103
Minority Interests					
<b>Total Equity</b>	<b>84,348</b>	<b>92,138</b>	<b>100,770</b>	<b>110,817</b>	<b>122,103</b>

**Key Ratios**

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue Growth	16.7%	5.2%	4.4%	18.2%	13.9%
Operating EBITDA Growth	(18.0%)	49.7%	1.5%	17.2%	14.9%
Operating EBITDA Margin	9.4%	13.3%	12.9%	12.8%	13.0%
Net Cash Per Share (Rs)	42.39	105.40	65.09	27.04	22.41
BVPS (Rs)	763.33	833.82	911.94	1,002.86	1,105.01
Gross Interest Cover	61.37	92.46	142.42	237.04	272.52
Effective Tax Rate	24.6%	25.4%	25.0%	25.0%	25.0%
Net Dividend Payout Ratio	13.1%	13.9%	18.7%	18.8%	19.7%
Accounts Receivables Days	44.51	50.24	47.58	42.39	41.25
Inventory Days	59.04	70.05	70.38	63.55	59.78
Accounts Payables Days	63.49	73.22	69.83	62.32	60.50
ROIC (%)	18.5%	23.3%	22.1%	23.8%	24.5%
ROCE (%)	7.7%	11.2%	10.2%	11.1%	11.6%
Return On Average Assets	7.2%	9.5%	8.9%	9.7%	10.0%

**Key Drivers**

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
ASP (% chg, main prod./serv.)	4.4%	4.2%	5.4%	5.8%	3.9%
Unit sales grth (% , main prod./serv.)	9.6%	(7.2%)	(8.8%)	8.8%	6.7%
ASP (% chg, 2ndary prod./serv.)	6.6%	2.3%	6.0%	5.0%	5.0%
Unit sales grth (% ,2ndary prod/serv)	12.2%	41.7%	25.0%	20.0%	15.0%

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. 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.