

India

ADD (no change)

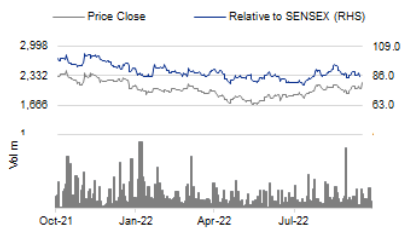
Consensus ratings*: Buy 23 Hold 3 Sell 2

Current price:	Rs2,170
Target price: ▲	Rs2,382
Previous target:	Rs2,206
Up/downside:	9.8%
InCred Research / Consensus:	-1.7%
Reuters:	
Bloomberg:	SI IN
Market cap:	US\$3,797m Rs275,686m
Average daily turnover:	US\$1.9m Rs139.9m
Current shares o/s:	127.0m
Free float:	51.2%

*Source: Bloomberg

Key changes in this note

- FY23F/24F revenue raised by 14%/10%.
- FY23F/24F EBITDA raised by 1%/7%.
- FY23F/24F EPS cut/raised by (1.5%)/8%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	1.7	14.4	(6.8)
Relative (%)	(3.8)	9.4	(7.7)

Major shareholders	% held
Promoters	48.9
Nalanda India Fund	4.8
Kotak Emerging Equity Scheme	3.1

Analyst(s)



Rahul AGARWAL
 T (91) 22 4161 1553
 E rahul.agarwal@incredcapital.com
Harshit SARAWAGI
 T (91) 22 4161 0000
 E harshit.sarawagi@incredcapital.com

Supreme Industries

PVC prices collapse to pre-Covid levels

- Low FG prices, old high-cost RM inventory and steep PVC price fall led to ~Rs2-2.5bn 1H inventory loss. 2Q EBITDA/PAT miss our estimates by 30-50%.
- As PVC price is near pre-Covid level, SIL gave guidance of a strong 2H due to improved customer affordability (FY23F total/pipe sales vol: +20%/+25% yoy).
- 3Q could be soft as PVC corrects further while 4Q should see a sharp rebound in sales volume/margin. Channel restocking is due for sure. Retain ADD rating.

Market share gain on better sales volume; PVC price fall hits margins

Supreme Industries or SIL's 2QFY23 topline beat our/Bloomberg consensus estimates by 12-14% led by better sale volume across product categories. Management estimates FY23F plastic pipe sales volume at 340kt, +13% over FY20 while PVC resin consumption in India is likely to be flat over the same period, implying market share gains for SIL. Low finished goods (FG) prices, old high-cost raw material inventory and MTM valuation of Sep 2022-end inventory (market price below cost price) led to inventory loss of Rs2-2.5bn in 1H, leading to significant EBITDA/PAT miss by 30-50%. Pass-through of cheaper PVC improved customer affordability leading to consolidated and plastic pipe sales volume of 112kt/79kt, +9% each yoy, respectively. Packaging (+3% yoy) and consumer products (-8% yoy) sales volumes were weak while industrial products grew strongly to 14.8kt, +19% yoy, led by higher composite cylinder sales in 2Q. The fall in consolidated sales realization (Rs1,86,632/t, down 8% qoq) was lower than PVC price fall (down 27% over Jul-Oct 2022) as full pass-through of prices happened in Oct 2022. Owing to inventory losses, EBIT/t of total business and plastic pipe segment fell to Rs7,892, (down 69% yoy, 60% qoq) and Rs3,127 (down 88% yoy, 84% qoq), respectively. Consolidated EBITDA/t was at Rs13,160, down 57% yoy and 47% qoq. Associate entity - Supreme Petrochem (30% holding) also had inventory loss, its profit share was Rs186m, -53% yoy and -68% qoq.

Management gives guidance of very strong 2HFY23F

As PVC prices are near pre-Covid sustainable levels, SIL's management expects agriculture, housing and infrastructure demand for plastic pipes to rebound strongly in 2HFY23F. Management gave consolidated sales volume growth guidance of +20% yoy and plastic pipe sales volume growth of +25% yoy. Most of the inventory-related loss has been recognized and gross/EBITDA margins likely to improve meaningfully in 2HFY23F.

Change in our estimates; valuation and risks

We incorporate 1HFY23 actuals. We feel achieving FY23F guidance will be tough, given PVC prices continue to decline and need to stabilize first for the trade channel to start restocking. We raise our revenue estimates by +14%/+10% and alter EBITDA/PAT estimates by -1 to +8% for FY23F/24F, respectively. We introduce FY25F estimates. We feel 3Q could be soft while 4Q would see a massive rebound led by agri pipe demand. We retain exit P/E multiple at 33x, while retaining ADD rating on SIL with a new target price of Rs2,382 (Rs2,206 earlier). Downside risks: PVC oversupply, and slow housing demand.

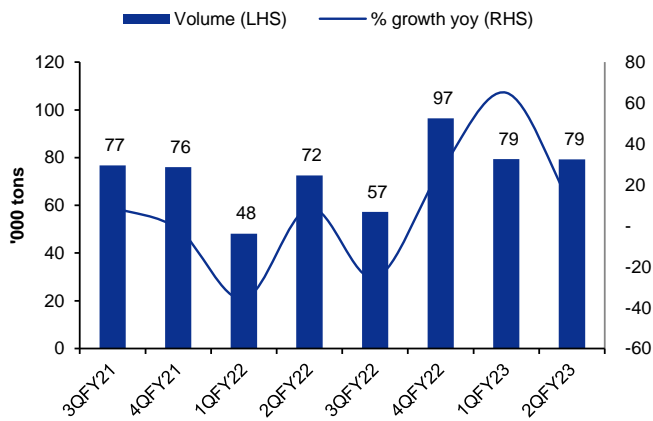
Financial Summary	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Revenue (Rsm)	63,571	77,728	84,246	87,146	93,713
Operating EBITDA (Rsm)	12,843	12,421	10,404	12,854	14,010
Net Profit (Rsm)	9,771	9,685	7,854	9,169	9,997
Core EPS (Rs)	76.9	76.2	61.8	72.2	78.7
Core EPS Growth	109.0%	(0.9%)	(18.9%)	16.7%	9.0%
FD Core P/E (x)	28.22	28.47	35.10	30.07	27.58
DPS (Rs)	22.0	24.0	26.0	28.0	30.0
Dividend Yield	1.01%	1.11%	1.20%	1.29%	1.38%
EV/EBITDA (x)	20.87	21.77	25.85	20.44	18.37
P/FCFE (x)	43.30	418.40	64.04	29.53	31.73
Net Gearing	(24.2%)	(13.7%)	(15.6%)	(26.6%)	(33.3%)
P/BV (x)	8.70	7.17	6.41	5.67	5.03
ROE	36.0%	27.6%	19.3%	20.0%	19.3%
% Change In Core EPS Estimates			(1.51%)	7.97%	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

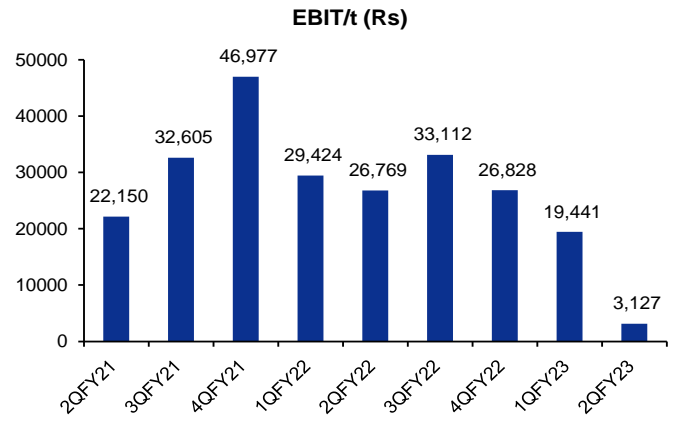
2QFY23 earnings-call highlights

- **Management guidance:** SIL expects to achieve nearly Rs90bn revenue with 12-12.5% EBITDA margin in FY23F. Consolidated sales volume growth is estimated at +20% yoy while plastic pipe sales volume is estimated at +25% yoy. Owing to festivals in Oct, the trade channel continued with very low inventories and restocking demand likely to pick up from Nov 2022 assuming PVC prices stabilize then.
- **New product launches:** SIL has introduced various new products across segments like Olefins fittings, PEX piping system in the pipe segment, improvised variety in material handling, kids range of furniture and others products in the furniture segment, yoga mats, and sports goods in the packaging segment to cater to rising demand.
- **CPVC relatively steady:** SIL grew its CPVC pipe sales by 21% yoy and by 44% yoy in 2QFY23 and 1HFY23, respectively.
- **Furniture segment:** The consumer products (plastic furniture) division's revenue grew by 30% yoy to Rs2bn, with improved EBIT margin (+140bp yoy) and +17% volume growth yoy in 1HFY23. However, the volume during 2QFY23 declined due to a steep fall in polypropylene prices (principal raw material). 2HFY23F revenue growth and margin improvement outlook is robust, as per management.
- **Composite cylinder:** The company is expecting to double its capacity by Dec 2022F to meet the additional demand it has been witnessing in this segment. Currently, the company is working at its optimum capacity and hence, has not been able to participate in various new orders due to capacity constraints.
- **New order win:** SIL received a letter of intent (LoI) worth about Rs4.8bn from Maharashtra Jeevan Pradhikaran (MJP) for supply of HDPE pipes for water supply projects over a period of 24 to 30 months under the Jal Jivan Mission (JJM) scheme, starting Nov 2022.
- **Gross margin:** Nearly the entire 8% fall in gross margin to 25% vs. 33% yoy was attributed to losses on account of inventory revaluation and lower selling prices. As per management, the estimated inventory loss was Rs2-2.5bn over 1HFY23. Most of the inventory-related loss has been recognized and any further loss, we feel, would be restricted to Sep 2022-end market prices of PVC.
- **Polymer price collapse:** The prices of different polymers, particularly polypropylene (PP), low density polyethylene (LDPE) and poly vinyl chloride (PVC) declined between Rs31-55 per kg YTD i.e., a reduction of 21% to 38%. PVC resin prices declined the highest by Rs55 per kg. i.e., 38 % YTD. PVC resin prices fell by another Rs7per kg in Oct 2022 to ~Rs84 per kg.
- **Supreme Petrochem update:** This associate company too suffered inventory losses due to a steep fall in the prices of its core raw material – styrene monomer in 2Q. The capacity addition of 120kt is witnessing some delay due to the need for government permission to start production.
- **Capex:** Cash outflow on capex was Rs2.3bn (a slight delay in capex execution) in 1H and SIL plans to spend an additional Rs2.5bn during the rest of the year for creation of new production capacity and maintenance of existing plant and machinery. Net capacity addition is estimated at 60kt (gross: 80kt) by Mar 2023F. Successful trials of PEX pipe plant at Jadcherla (Telangana) have been completed and commercial production has started from Aug 2022.
- **Working capital:** Net working capital days stood at 58 days of TTM sales (improvement in debtor days to 52 days vs. 59 days as at end-Mar 2022 and inventory days to 17 days vs. 22 days as at end-Mar 2022).
- **Cash:** Consolidated net cash and bank balance (including equivalents) as at end-Sep 2022 was Rs5bn (vs. Rs5.3bn as at end-Mar 2022).

Figure 1: Plastic pipes

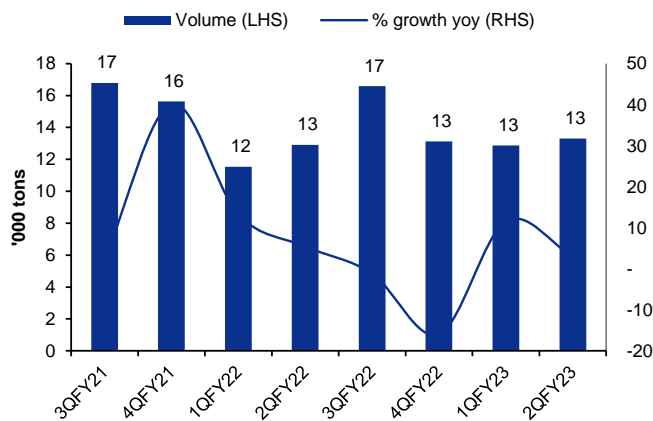


SOURCE: INCRED RESEARCH, COMPANY REPORTS

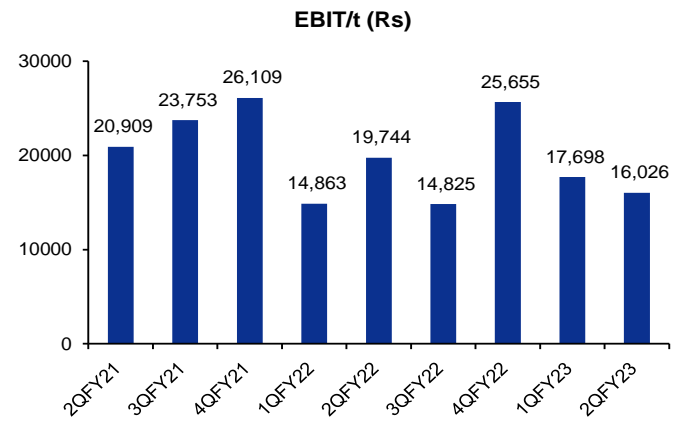


SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: Packaging products

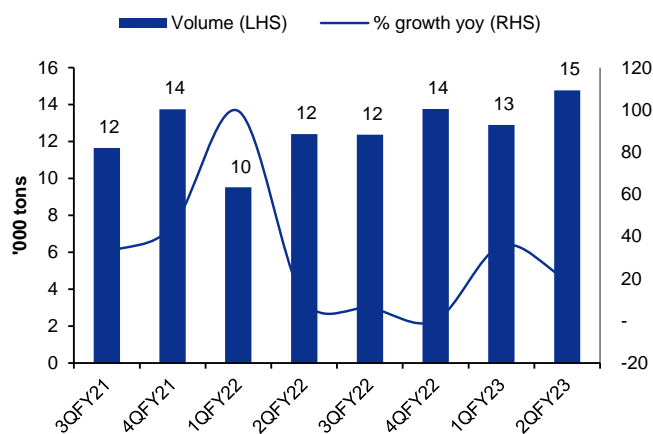


SOURCE: INCRED RESEARCH, COMPANY REPORTS

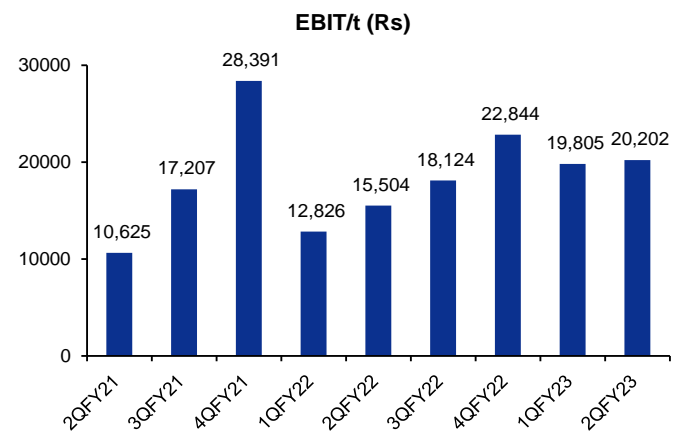


SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Industrial products

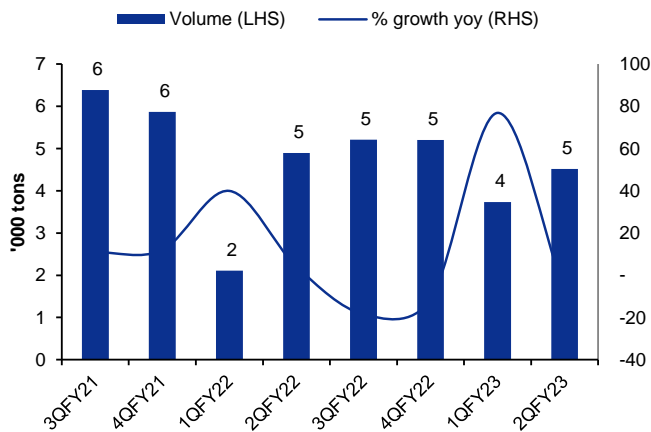


SOURCE: INCRED RESEARCH, COMPANY REPORTS

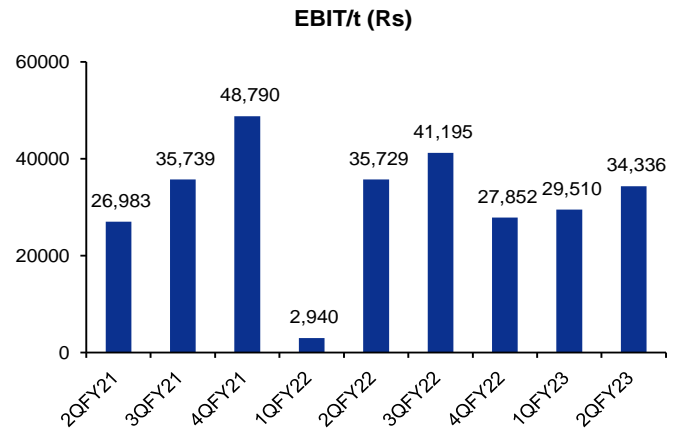


SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Consumer products

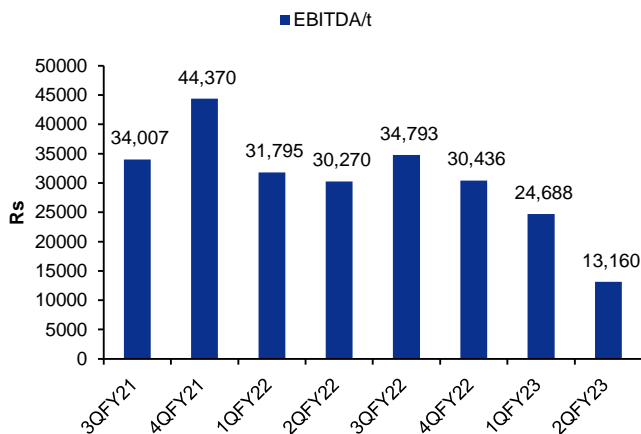


SOURCE: INCRED RESEARCH, COMPANY REPORTS



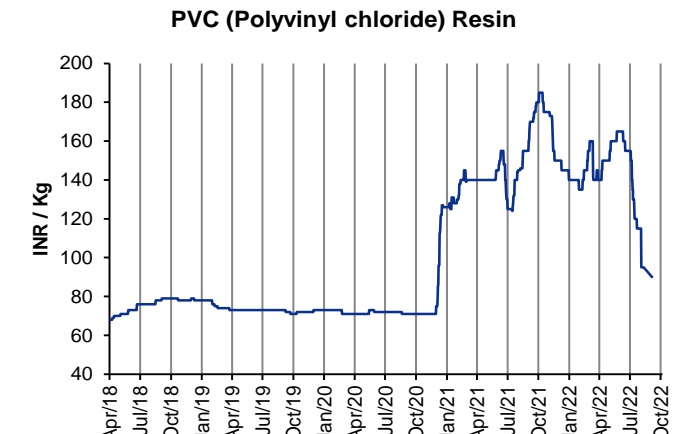
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: EBITDA/t (company-level)



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: PVC resin prices



SOURCE: INCRED RESEARCH, BLOOMBERG

Figure 7: 2QFY23 results snapshot

YE Mar (Rs m)	2QFY23	2QFY22	yoy (%)	1QFY23	qoq (%)	1HFY23	1HFY22	yoy (%)
Revenue	20,866	19,285	8.2	22,060	(5.4)	42,926	32,706	31.2
EBITDA	1,471	3,108	(52.7)	2,689	(45.3)	4,160	5,328	(21.9)
EBITDA margin (%)	7.1	16.1	-906 bp	12.2	-514 bp	9.7	16.3	-660 bp
Adj. PAT	820	2,287	(64.1)	2,139	(61.6)	2,959	3,989	(25.8)
Diluted EPS (Rs)	6.5	18.0		16.8		23.3	31.4	

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: 2QFY23 segment financials

	2QFY23	2QFY22	yoy (%)	1QFY23	qoq (%)
Revenue (Rs m)					
Plastic pipes	12,947	12,673	2.2	14,633	(11.5)
Packaging products	3,278	2,773	18.2	3,263	0.5
Industrial products	3,349	2,530	32.4	3,023	10.8
Consumer products	1,119	1,112	0.7	958	16.9
Others	173	199	(12.9)	183	(5.4)
Total	20,866	19,285		22,060	
EBIT (Rs m)					
Plastic pipes	248	1,940	(87.2)	1,544	(84.0)
Packaging products	213	255	(16.4)	228	(6.4)
Industrial products	298	192	55.3	256	16.8
Consumer products	155	175	(11.3)	110	41.0
Others	-32	22	(248.8)	-5	492.6
Total	882	2,584		2,132	
EBIT margin (%)					
Plastic pipes	1.9	15.3	-1,340 bp	10.6	-864 bp
Packaging products	6.5	9.2	-269 bp	7.0	-48 bp
Industrial products	8.9	7.6	131 bp	8.5	46 bp
Consumer products	13.9	15.7	-187 bp	11.5	237 bp
Others	-18.5	10.8	-2,932 bp	-3.0	-1,554 bp
Total	4.2	13.4		9.7	

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 9: Actuals vs. our estimates

Rs m	2QFY23A	2QFY23F	Var (%)
Revenue	20,866	18,561	12.4
EBITDA	1,471	2,327	(36.8)
EBITDA margin (%)	7.1	12.5	-545 bp
Adj. PAT	820	1,615	(49.2)

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 10: Actuals vs. Bloomberg consensus

Rs m	2QFY23A	2QFY23C	Var (%)
Revenue	20,866	18,257	14.3
EBITDA	1,471	2,209	(33.4)
EBITDA margin (%)	7.1	12.1	-505 bp
Adj. PAT	820	1,539	(46.7)

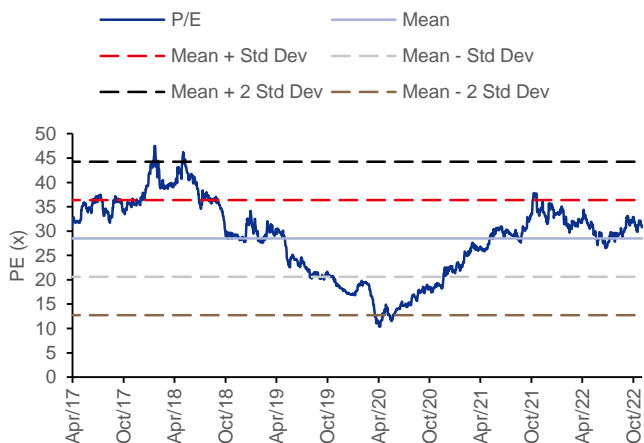
SOURCE: INCRED RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 11: Revision in our earnings estimates

	New estimates			Old estimates			Change (%)		
	FY23F	FY24F	FY25F	FY23F	FY24F	FY25F	FY23F	FY24F	FY25F
Revenue	84,246	87,146	93,713	73,957	79,118	NA	14	10	NA
EBITDA	10,404	12,854	14,010	10,317	12,066	NA	1	7	NA
Adjusted consol. PAT	7,854	9,169	9,997	7,975	8,492	NA	-2	8	NA
EPS	61.8	72.2	78.7	62.8	66.9	NA	-1.5	8.0	NA
EBITDA margin (%)	12.4	14.8	15.0	14.0	15.3	NA	-160 bp	-50 bp	NA

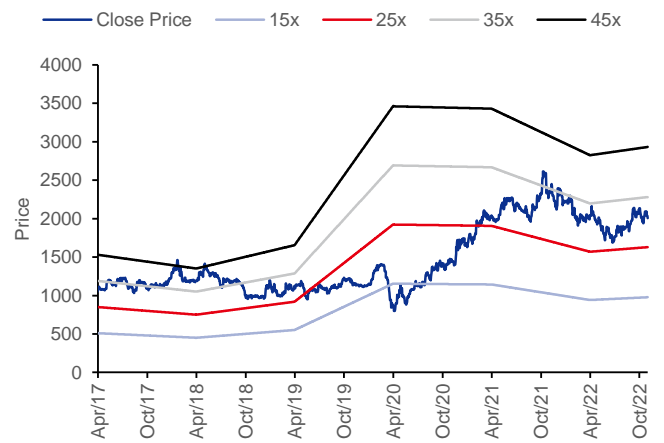
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 12: P/E SD chart (five-year mean P/E)



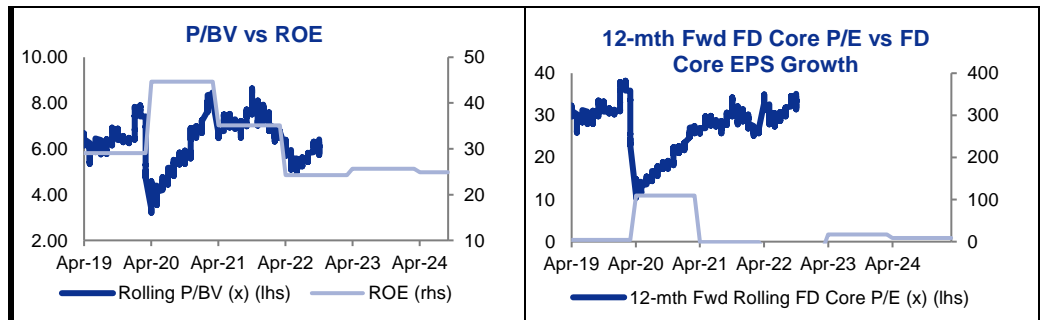
SOURCE: INCRED RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 13: P/E band chart



SOURCE: INCRED RESEARCH, COMPANY REPORTS, BLOOMBERG

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Total Net Revenues	63,571	77,728	84,246	87,146	93,713
Gross Profit	23,186	24,197	23,799	27,669	29,988
Operating EBITDA	12,843	12,421	10,404	12,854	14,010
Depreciation And Amortisation	(2,128)	(2,295)	(2,634)	(2,977)	(3,202)
Operating EBIT	10,715	10,126	7,771	9,877	10,808
Financial Income/(Expense)	(193)	(38)	90	245	415
Pretax Income/(Loss) from Assoc.	1,460	2,044	1,900	1,520	1,520
Non-Operating Income/(Expense)	130	186	100	105	110
Profit Before Tax (pre-EI)	12,112	12,318	9,860	11,747	12,853
Exceptional Items					
Pre-tax Profit	12,112	12,318	9,860	11,747	12,853
Taxation	(2,341)	(2,633)	(2,006)	(2,577)	(2,856)
Exceptional Income - post-tax					
Profit After Tax	9,771	9,685	7,854	9,169	9,997
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	9,771	9,685	7,854	9,169	9,997
Recurring Net Profit	9,771	9,685	7,854	9,169	9,997
Fully Diluted Recurring Net Profit	9,771	9,685	7,854	9,169	9,997

Cash Flow

(Rs mn)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
EBITDA	12,843	12,421	10,404	12,854	14,010
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(1,955)	(4,939)	(542)	849	(692)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	3,686	48	2,089	1,869	2,045
Net Interest (Paid)/Received	212	41	(90)	(245)	(415)
Tax Paid	(2,322)	(2,868)	(2,006)	(2,577)	(2,856)
Cashflow From Operations	12,464	4,704	9,856	12,750	12,092
Capex	(2,266)	(4,699)	(5,200)	(3,210)	(3,371)
Disposals Of FAs/subsidiaries	56	39			
Acq. Of Subsidiaries/investments	94	139	(500)	(500)	(500)
Other Investing Cashflow	124	487	150	295	468
Cash Flow From Investing	(1,992)	(4,035)	(5,550)	(3,415)	(3,403)
Debt Raised/(repaid)	(4,104)	(11)			
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(635)	(2,922)	(3,303)	(3,557)	(3,812)
Preferred Dividends					
Other Financing Cashflow	(166)	(10)	(60)	(50)	(53)
Cash Flow From Financing	(4,905)	(2,942)	(3,363)	(3,607)	(3,864)
Total Cash Generated	5,566	(2,273)	942	5,727	4,826
Free Cashflow To Equity	6,367	659	4,305	9,335	8,690
Free Cashflow To Firm	10,251	619	4,245	9,285	8,637

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	7,684	5,264	6,706	12,933	18,259
Total Debtors	3,898	4,668	5,770	5,969	6,419
Inventories	7,608	12,602	12,695	11,938	12,837
Total Other Current Assets	1,469	2,219	2,405	2,488	2,676
Total Current Assets	20,659	24,753	27,576	33,328	40,191
Fixed Assets	16,471	16,886	20,498	20,731	20,900
Total Investments	3,366	4,759	4,759	4,759	4,759
Intangible Assets					
Total Other Non-Current Assets	2,327	3,561	2,515	2,515	2,515
Total Non-current Assets	22,164	25,206	27,772	28,005	28,174
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	6,462	7,940	8,606	8,902	9,573
Other Current Liabilities	3,220	2,064	2,237	2,314	2,488
Total Current Liabilities	9,682	10,004	10,842	11,216	12,061
Total Long-term Debt	6				
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	524	607	607	607	607
Total Non-current Liabilities	530	607	607	607	607
Total Provisions	919	904	904	904	904
Total Liabilities	11,131	11,515	12,354	12,727	13,572
Shareholders Equity	31,692	38,444	42,994	48,606	54,792
Minority Interests					
Total Equity	31,692	38,444	42,994	48,606	54,792

Key Ratios					
	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Revenue Growth	15.3%	22.3%	8.4%	3.4%	7.5%
Operating EBITDA Growth	53.9%	(3.3%)	(16.2%)	23.5%	9.0%
Operating EBITDA Margin	20.2%	16.0%	12.3%	14.7%	14.9%
Net Cash Per Share (Rs)	60.44	41.44	52.79	101.81	143.74
BVPS (Rs)	249.49	302.64	338.47	382.65	431.34
Gross Interest Cover	48.42	196.62	129.51	197.54	205.87
Effective Tax Rate	19.3%	21.4%	20.3%	21.9%	22.2%
Net Dividend Payout Ratio	23.1%	24.7%	33.5%	30.3%	29.7%
Accounts Receivables Days	20.17	20.11	22.61	24.58	24.12
Inventory Days	74.62	68.90	76.37	75.58	70.95
Accounts Payables Days	53.94	49.10	49.96	53.72	52.91
ROIC (%)	44.3%	45.8%	26.0%	29.9%	33.3%
ROCE (%)	35.4%	28.2%	19.0%	21.8%	21.4%
Return On Average Assets	31.1%	26.6%	18.6%	19.7%	19.2%

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.