

India

ADD (no change)

Consensus ratings*: Buy 21 Hold 0 Sell 2	
Current price:	Rs753
Target price:	Rs855
Previous target:	Rs870
Up/downside:	13.5%
InCred Research / Consensus:	8.6%
Reuters:	JKLC.BO
Bloomberg:	JKLC IN
Market cap:	US\$1,071m Rs88,564m
Average daily turnover:	US\$5.1m Rs422.1m
Current shares o/s:	117.7m
Free float:	51.9%
*Source: Bloomberg	

Key changes in this note

- Net sales increased by 2% for FY24F-25F.
- EBITDA cut by 2% for FY24F-25F.
- Rollover target price to Mar 2024F.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(1.7)	16.9	45.0
Relative (%)	(1.9)	19.2	35.3

Major shareholders	% held
Promoter & Promoter Group	46.3
Axis Mutual Fund	6.2
HSBC Midcap Fund	4.5

Analyst(s)



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

JK Lakshmi Cement

Marginal 3Q miss; growth projects on track

- 3Q standalone EBITDA at Rs1.6bn (our estimate: Rs1.7bn) was up 9% yoy & 15% qoq due to lower volume. Consolidated EBITDA was Rs1.86bn, up 7% yoy.
- We slash our FY24F-25F EBITDA estimates by ~2% to factor in the weak performance. JKLC's new capacity (at UCWL) to come in by FY24F-end.
- We retain our ADD rating on the stock with a lower target price of Rs855.

Weak volume in 3QFY23; outlook on volume front is positive

JK Lakshmi Cement or JKLC's 3QFY23 standalone sales volume (including clinker) increased by 6% yoy (up 13% qoq) to 2.6mt, 3% below our estimate. Overall, consolidated volume grew 10% yoy to 2.88mt. Blended realization remained flat qoq on low price improvement. Management highlighted that demand is strong in the current quarter and expects the cement prices to improve. JKLC's focus is on improving the realization by optimizing geo mix, product mix, and increasing the share of trade sales & premium products. Revenue from non-cement division stood at Rs1.16bn (flat qoq and up 17% yoy). JKLC's subsidiary Udaipur Cement Works' (UCWL) expansion project of 2.5mtpa in cement capacity with a 1.5mtpa clinker unit is progressing well but may spill over to 1QFY25F (vs. Mar 2024F earlier). All this is expected to aid volume growth from FY25F.

Cost/t broadly in line with expectations; margins to recover gradually

On a standalone basis, blended cost/t stood at Rs5,103, up 20% yoy and flat qoq, because of higher power and fuel, freight, and fixed costs. P&F cost/t was up 40% yoy and 15% qoq (on Kcal basis, fuel cost was at Rs2.57 in 3Q vs. Rs2.3 qoq and JKCL expects the cost to be flattish in 4QFY23F). Further, it can come down slightly in 1QFY24F. Freight cost/t inched up by ~12% yoy and 4% qoq; lead distance increased marginally by 2km qoq to ~397km). All this led to EBITDA/t being flat qoq at Rs613. Management continues to target EBITDA/t of Rs1,000 in the medium term through 1) Rs200/t (via top-line improvement) from geo-mix optimization, product mix change, premiumization, etc. 2) Rs50/t through manufacturing efficiency, and 3) Rs75/t through supply chain efficiency but, in our view, seems difficult to achieve in FY24F.

Leverage to remain under control despite higher capex intensity

JKCL's consolidated gross and net debt stood at Rs18.75bn and Rs12.2bn, respectively. It expects to complete the UCWL project by Mar 2024F/1QFY25F with an outlay of Rs16.5bn (Rs7bn incurred till now, Rs1.5-2bn in 4QFY23F and the rest in FY24F). On a consolidated basis, targeted capex for FY24F is Rs7bn. As regards its long-term vision, JKLC maintained its guidance of ~30mtpa capacity by 2030F on the back of expansion at Durg in Chhattisgarh, Nagaur in Rajasthan, and Kutch in Gujarat.

Maintain ADD rating with a slightly lower target price of Rs855

JKLC trades at FY24F/25F EV/EBITDA of 9x/7.5x, respectively. We retain ADD rating on it. Our new target price of Rs855 (Rs870 earlier) is based on 8.5x (unchanged) EV/EBITDA and rollover to Mar 2024F. Weak demand, pricing pressure, delay in expansion and a rise in input cost are key downside risks.

Financial Summary	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Revenue (Rsm)	47,274	54,199	64,858	69,575	78,000
Operating EBITDA (Rsm)	9,386	9,507	9,137	11,238	13,318
Net Profit (Rsm)	4,432	4,906	4,303	5,523	6,798
Core EPS (Rs)	37.7	41.7	36.6	46.9	57.8
Core EPS Growth	59.3%	10.7%	(12.3%)	28.4%	23.1%
FD Core P/E (x)	19.99	18.06	20.59	16.04	13.03
DPS (Rs)	3.8	5.0	3.7	4.7	5.8
Dividend Yield	0.50%	0.66%	0.49%	0.62%	0.77%
EV/EBITDA (x)	10.51	10.03	11.07	9.03	7.46
P/FCFE (x)	34.09	40.26	(23.40)	77.56	15.55
Net Gearing	47.1%	25.5%	42.1%	36.8%	26.0%
P/BV (x)	4.23	3.54	3.06	2.61	2.21
ROE	23.4%	21.3%	15.9%	17.6%	18.4%
% Change In Core EPS Estimates			(0.35%)	(0.31%)	(0.29%)
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Marginal 3Q miss; growth projects on track

Figure 1: Standalone quarterly performance

Particulars (Rs m)	3QFY23	3QFY23F	2QFY23	3QFY22	% Change		
					3QFY23F	2QFY23	3QFY22
Net Sales	14,885	15,316	13,027	11,934	-3%	14%	25%
Raw Materials Consumed	3,323	3,995	3,531	2,706	-17%	-6%	23%
Freight and Forwarding Expenses	2,942	2,970	2,494	2,486	-1%	18%	18%
Power and Fuel Cost	4,345	3,864	3,332	2,932	12%	30%	48%
Employee Cost	877	1,025	833	868	-14%	5%	1%
Other Expenses	1,802	1,778	1,451	1,479	1%	24%	22%
Total Expenditure	13,289	13,632	11,640	10,470	-3%	14%	27%
EBITDA	1,596	1,684	1,386	1,464	-5%	15%	9%
Depreciation	480	508	481	468	-5%	0%	3%
EBIT	1,116	1,176	905	996	-5%	23%	12%
Interest	247	251	226	251	-1%	9%	-1%
Other Income	156	148	214	164	5%	-27%	-5%
PBT	1,025	1,073	894	910	-5%	15%	13%
Tax	289	279	304	318	3%	-5%	-9%
PAT before MI & Associates	736	794	590	592	-7%	25%	24%
Minority Interest	0	35	0	0			
Profit from Assoc.	0	0	0	0			
Recurring PAT	736	759	590	592	-3%	25%	24%
Extraordinary Items	0	0	0	0			
Reported PAT	736	759	590	592	-3%	25%	24%
EPS (Rs)	6.3	6.5	5.0	5.0	-3%	25%	24%
Gross Margin	29%	29%	28%	32%	-58 bp	55 bp	-321 bp
EBITDA Margin	10.7%	11.0%	10.6%	12.3%	-27 bp	8 bp	-155 bp
EBIT Margin	7%	8%	7%	8%	-18 bp	54 bp	-85 bp
PBT Margin	7%	7%	7%	8%	-12 bp	2 bp	-74 bp
PAT Margin	5%	5%	5%	5%	-1 bp	42 bp	-2 bp
Tax Rate	28%	26%	34%	35%	218 bp	-584 bp	-671 bp
Cost items as % of Sales							
RM Cost	22%	26%	27%	23%	-376 bp	-478 bp	-35 bp
Freight Cost	20%	19%	19%	21%	38 bp	62 bp	-107 bp
P&F Cost	29%	25%	26%	25%	396 bp	361 bp	462 bp

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

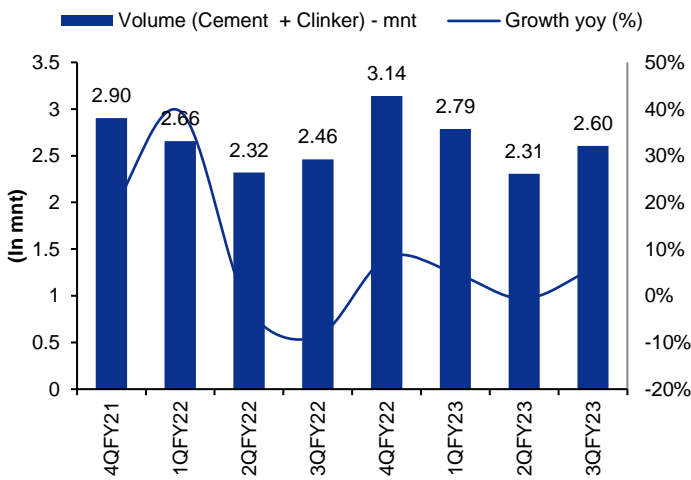
Figure 2: Standalone 3QFY23 results as per tonne analysis

Per tonne analysis	3QFY23	3QFY23F	2QFY23	3QFY22	% Change		
					3QFY23F	2QFY23	3QFY22
Sales volume (Cement + Clinker)	2.60	2.70	2.31	2.46	-3%	13%	5.9%
Realization	5,716	5,680	5,651	4,851	0.6%	1.1%	17.8%
EBITDA/t	613	624	601	595	-2%	2%	3%
RM cost/t	1,276	1,482	1,532	1,100	-14%	-17%	16%
P&F costs/t	1,668	1,433	1,446	1,192	16%	15%	40%
Freight cost/t	1,130	1,101	1,082	1,011	3%	4%	12%
Employee cost/t	337	380	361	353	-11%	-7%	-5%
Other expenses/t	692	659	629	601	5%	10%	15%
Cost/t	5,103	5,055	5,050	4,256	1%	1%	20%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

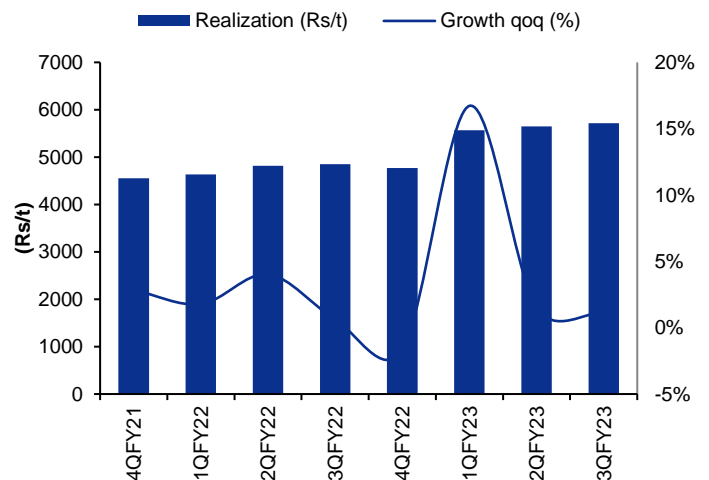
Key quarterly charts ➤

Figure 3: Cement sales volume (Including clinker) increased by ~6% yoy and 13% qoq in 3QFY23



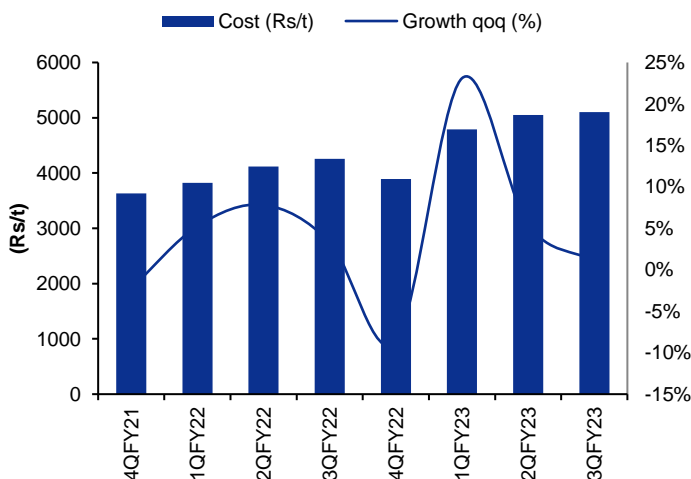
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Cement realization increased by 1.1% qoq while it was up by ~18% yoy in 3QFY23



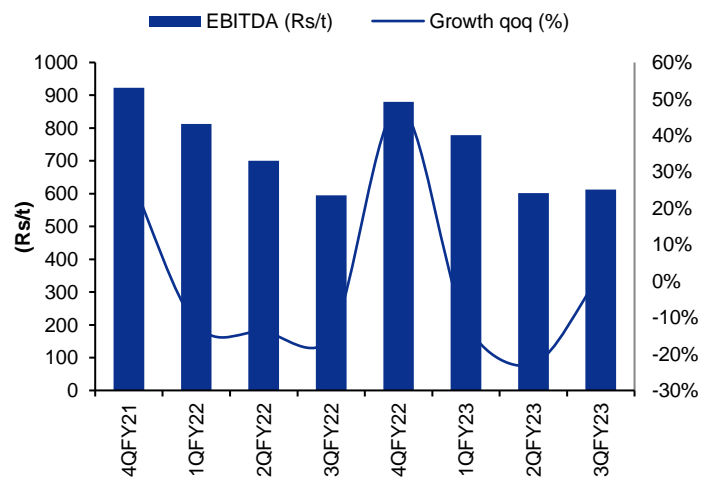
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Operating cost/t remained flattish sequentially while it was up 20% yoy



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: Unitary EBITDA stood at Rs613/t in 3QFY23 vs. Rs601/t in 2QFY23 and Rs595/t in 3QFY22



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	64,858	69,575	78,000	64,567	67,926	76,195	0%	2%	2%
EBITDA	9,137	11,238	13,318	9,309	11,503	13,594	-2%	-2%	-2%
PAT	4,303	5,523	6,798	4,424	5,648	6,918	-3%	-2%	-2%
EPS (Rs.)	36.6	46.9	57.8	38	48	59	-3%	-2%	-2%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

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

Rs. m	Incred			Consensus			Change (%)		
	FY23F	FY24F	FY25F	FY23F	FY24F	FY25F	FY23F	FY24F	FY25F
Sales	64,858	69,575	78,000	64,720	69,291	76,540	0%	0%	2%
EBITDA	9,137	11,238	13,318	9,763	11,489	13,488	-6%	-2%	-1%
PAT	4,303	5,523	6,798	4,472	5,402	6,756	-4%	2%	1%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG

Figure 9: Key assumptions

	FY21A	FY22A	FY23F	FY24F	FY25F
Volume (in mtpa)	10	11	12	13	14
yoy	4%	7%	6%	6%	11%
Realisation (per tonne)	4523	4839	5468	5534	5589
yoy	4%	7%	13%	1%	1%
Cost (per tonne)	3625	3990	4698	4640	4635
yoy	2%	10%	18%	-1%	0%
EBITDA (per tonne)	898	849	770	894	954
yoy	13%	-5%	-9%	16%	7%
EBITDA (Rs m)	9,386	9,507	9,137	11,238	13,318
yoy	18%	1%	-4%	23%	19%

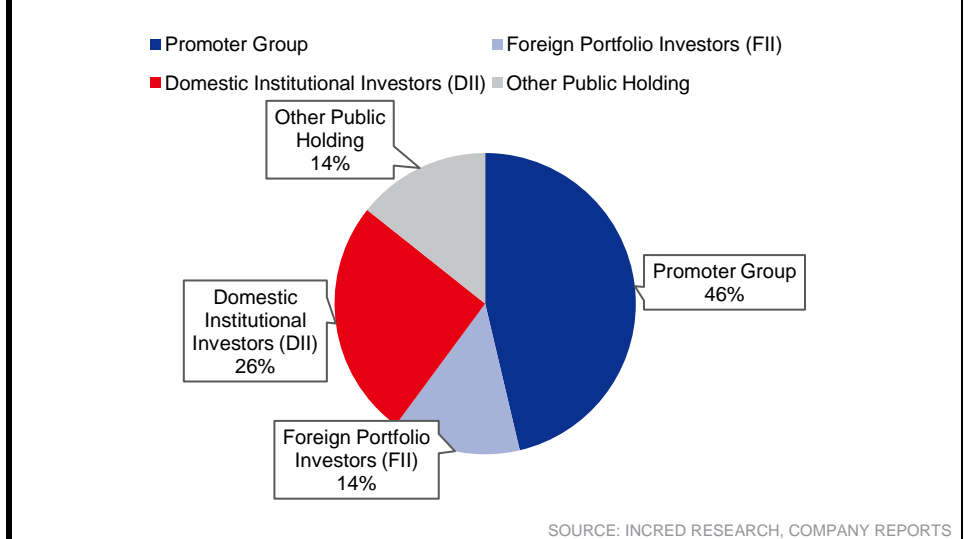
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 10: Our target price of Rs855 is based on 8.5x Mar 2024F EV/EBITDA

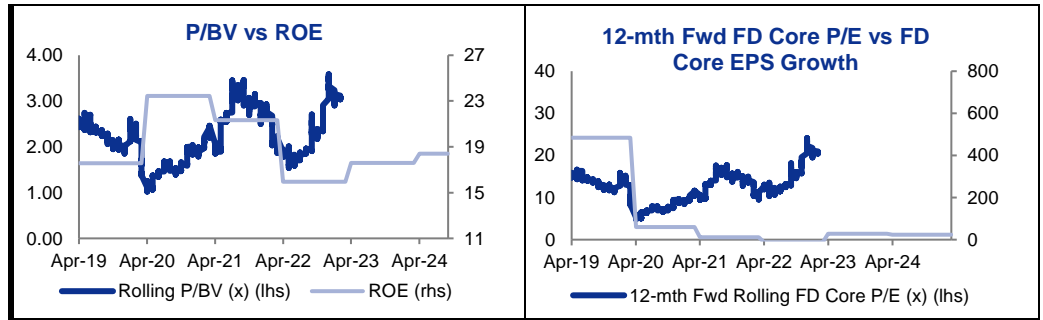
Valuation	TP
Target EV/EBITDA (x)	8.5
Target EV (Rs m)	1,13,202
Net debt / (cash) (Rs m)	12,589
No. of shares (m)	118
Fair value per share (Rs)	855

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 11: JKLC's shareholding pattern (as at end-Dec 2022)



BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Total Net Revenues	47,274	54,199	64,858	69,575	78,000
Gross Profit	47,274	54,199	64,858	69,575	78,000
Operating EBITDA	9,386	9,507	9,137	11,238	13,318
Depreciation And Amortisation	(2,253)	(2,235)	(2,295)	(2,479)	(2,776)
Operating EBIT	7,133	7,272	6,842	8,759	10,542
Financial Income/(Expense)	(1,920)	(1,422)	(1,398)	(1,649)	(1,715)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	726	683	560	543	549
Profit Before Tax (pre-EI)	5,939	6,534	6,004	7,654	9,375
Exceptional Items					
Pre-tax Profit	5,939	6,533	6,004	7,654	9,375
Taxation	(1,349)	(1,488)	(1,561)	(1,990)	(2,438)
Exceptional Income - post-tax					
Profit After Tax	4,590	5,046	4,443	5,664	6,938
Minority Interests	(157)	(140)	(140)	(140)	(140)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	4,432	4,906	4,303	5,523	6,798
Recurring Net Profit	4,432	4,906	4,303	5,523	6,798
Fully Diluted Recurring Net Profit	4,432	4,906	4,303	5,523	6,798

Cash Flow

(Rs mn)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
EBITDA	9,386	9,507	9,137	11,238	13,318
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(1,380)	562	(130)	242	(276)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	726	683	560	543	549
Other Operating Cashflow	4,855	(942)	958	258	1,758
Net Interest (Paid)/Received	(1,920)	(1,422)	(1,398)	(1,649)	(1,715)
Tax Paid	(1,349)	(1,488)	(1,561)	(1,990)	(2,438)
Cashflow From Operations	10,319	6,900	7,566	8,642	11,196
Capex	(1,677)	(3,661)	(7,500)	(8,000)	(7,500)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(2,678)	(2,990)	(4,352)		1,000
Cash Flow From Investing	(4,356)	(6,651)	(11,852)	(8,000)	(6,500)
Debt Raised/(repaid)	(3,364)	1,952	500	500	1,000
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(441)	(589)	(430)	(552)	(680)
Preferred Dividends					
Other Financing Cashflow	(1,704)	(1,255)	(1,098)	(398)	(1,898)
Cash Flow From Financing	(5,510)	108	(1,028)	(450)	(1,578)
Total Cash Generated	453	357	(5,314)	192	3,118
Free Cashflow To Equity	2,599	2,201	(3,786)	1,142	5,696
Free Cashflow To Firm	7,883	1,671	(2,888)	2,291	6,411

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	8,331	12,099	6,785	6,977	10,094
Total Debtors	545	352	409	419	513
Inventories	3,662	5,810	8,529	9,340	10,685
Total Other Current Assets	2,282	1,220	1,946	2,226	2,886
Total Current Assets	14,820	19,481	17,668	18,962	24,178
Fixed Assets	33,548	34,634	39,839	44,860	48,584
Total Investments	152	151	151	151	151
Intangible Assets	3,461	3,149	7,500	7,500	6,500
Total Other Non-Current Assets	883	1,847	1,847	2,347	3,347
Total Non-current Assets	38,043	39,781	49,337	54,859	58,583
Short-term Debt	5,690	5,914	5,914	5,914	5,914
Current Portion of Long-Term Debt					
Total Creditors	4,368	3,660	5,489	5,825	6,425
Other Current Liabilities	6,497	7,537	9,080	10,088	11,310
Total Current Liabilities	16,555	17,112	20,483	21,827	23,649
Total Long-term Debt	12,560	12,651	13,151	13,651	14,651
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	2,674	4,180	4,180	4,180	4,180
Total Non-current Liabilities	15,234	16,831	17,331	17,831	18,831
Total Provisions					
Total Liabilities	31,789	33,943	37,814	39,658	42,480
Shareholders Equity	20,946	25,052	28,924	33,895	40,013
Minority Interests	128	267	267	267	267
Total Equity	21,074	25,319	29,192	34,163	40,280

Key Ratios

	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Revenue Growth	8.3%	14.6%	19.7%	7.3%	12.1%
Operating EBITDA Growth	17.6%	1.3%	(3.9%)	23.0%	18.5%
Operating EBITDA Margin	19.9%	17.5%	14.1%	16.2%	17.1%
Net Cash Per Share (Rs)	(84.27)	(54.94)	(104.34)	(106.96)	(88.96)
BVPS (Rs)	177.96	212.84	245.74	287.98	339.96
Gross Interest Cover	3.72	5.11	4.89	5.31	6.15
Effective Tax Rate	22.7%	22.8%	26.0%	26.0%	26.0%
Net Dividend Payout Ratio	10.0%	12.0%	10.0%	10.0%	10.0%
Accounts Receivables Days	5.81	3.02	2.14	2.17	2.18
Inventory Days	32.69	31.89	40.35	46.87	46.85
Accounts Payables Days	45.62	32.78	29.96	35.39	34.56
ROIC (%)	21.3%	20.3%	15.0%	17.2%	19.2%
ROCE (%)	18.4%	17.5%	14.9%	17.2%	18.4%
Return On Average Assets	12.5%	11.5%	9.3%	10.4%	11.1%

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.