

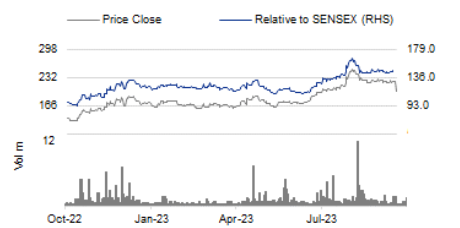
India

REDUCE (no change)

Consensus ratings*: Buy 10 Hold 6 Sell 2	
Current price:	Rs203
Target price: ▲	Rs182
Previous target:	Rs177
Up/downside:	-10.3%
InCred Research / Consensus:	-6.8%
Reuters:	FINX.NS
Bloomberg:	FNXP IN
Market cap:	US\$1,511m Rs125,740m
Average daily turnover:	US\$2.9m Rs240.7m
Current shares o/s:	620.5m
Free float:	47.5%
*Source: Bloomberg	

Key changes in this note

- FY24F revenue/EBITDA/PAT cut by 6%/18%/18%, respectively.
- FY25F EBITDA raised by 3% and PAT cut by 2%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(8.4)	7.6	46.4
Relative (%)	(6.4)	10.6	35.7

Major shareholders	% held
Promoters	52.5
SBI Large & Midcap Fund	4.7
Anuj A Sheth	3.3

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

Finolex Industries

RM shortage and channel destocking issues

- 2Q EBITDA was ~30% below estimate. Raw material scarcity led to weak resin sales while the expected PVC price dip led to channel destocking in Sep 2023.
- Oct 2023 has been weak so far. We expect a flat 2HFY24F yoy. Given the capacity constraints, we expect a new pipe/fittings capex announcement soon.
- Sales mix improving & working capital discipline is fine, but the promoter family legal dispute deters us from expanding the exit P/E multiple. Retain REDUCE.

Raw material shortage and anticipated fall in PVC prices impact 2Q

Finolex Industries' (FIL) revenue/EBITDA/PAT stood at Rs8.8bn/Rs1.0bn/Rs980m, respectively, in 2QFY24. The base quarter had high inventory loss (hence, not comparable yoy) & 1QFY24 was a strong seasonal quarter for the agri business (hence, not comparable qoq). EDC/VCM scarcity due to delayed shipments from a Middle East vendor and the dip in PVC prices during end-Sep/early-Oct 2023 led to 2Q EBITDA miss of 30%+ vs. Incred/Bloomberg consensus. Pipes/fitting sales volume grew to 62.9kt, +6% yoy. The anticipated PVC price fall in Oct 2023 (down ~13% to Rs75-78/kg since 1 Oct 2023) led to high channel destocking in the last 10 days of Sep 2023. Pipe/fittings revenue was at Rs8.8bn, +7% yoy, while EBIT/kg was at Rs10.7/kg. Non-agri pipe/fitting sales volume mix stood at 40%/32% in 2Q/1H, respectively. CPVC pipe & overall fittings sales volume grew 15%+ yoy, as per our estimate. PVC resin sales volume fell to 37.5kt, down 31% yoy & 19% qoq. Resin revenue fell 38% yoy to Rs2.9bn & EBIT/kg was at Rs 5.4/kg. Net working capital cycle expanded to 49 days as of end-Sep 2023 vs. 38 days as of end-Mar 2023.

Flat 2HFY24F yoy likely; pipe & fittings capex expected going ahead

Oct 2023 has been weak so far as finished goods-raw material price spreads for PVC resins fell further, in line with the drop in PVC prices & channel destocking continued in the first fortnight of the month. Owing to a heavy base in 2HFY23, we expect pipe/fittings sales volume at 174kt, flat yoy, while PVC resins sales volume to recover to 137kt, +11% yoy, in 2HFY24F. We have highlighted the risk of pipe manufacturing capacity constraints in the past leading to lower sales volume growth over FY25F-26F. Management indicated that a capacity expansion plan will be finalized soon. We have built in an addition of ~35kt to the existing 390kt of pipe and fittings capacity over FY25F-26F. We expect a recovery in resin margin (EBIT/t: Rs14k) and see EBITDA/PAT CAGR at 40%+ over FY23-26F.

Change in estimates, valuation and risks

We have cut estimated revenue by 6% and EBITDA/PAT by 18% for FY24F to account for a very weak 1H. We have altered EBITDA/PAT estimates by 3%/(2%), respectively, for FY25F & introduced FY26F estimates. We like the better sales mix (higher non-agri product sales) & working capital discipline. However, the pending promoter family legal dispute deters us from expanding the P/E multiple in an upcycle. Retain REDUCE rating with a higher target price of Rs182 (Rs177 earlier) based on exit P/E of 19x (5-year mean) FY25F EPS. Upside risks: Large special dividend payout and levy of import duty on resin.

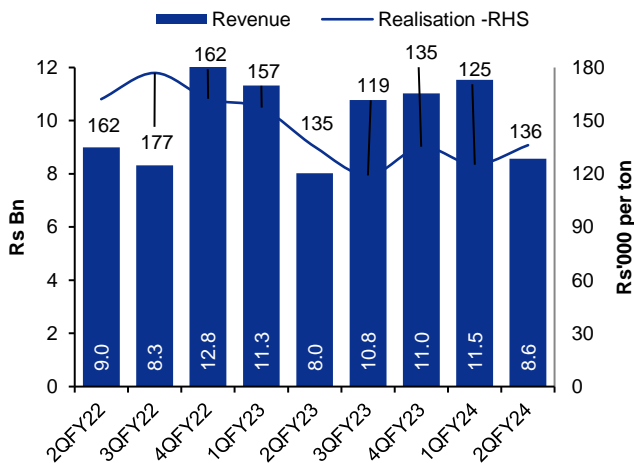
Financial Summary	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue (Rsm)	46,473	43,971	43,006	46,215	50,813
Operating EBITDA (Rsm)	10,237	2,925	5,849	7,949	8,968
Net Profit (Rsm)	10,513	2,507	6,971	7,258	7,063
Core EPS (Rs)	10.9	4.0	7.2	9.7	11.4
Core EPS Growth	(8.5%)	(62.9%)	78.3%	34.4%	17.6%
FD Core P/E (x)	11.96	50.16	18.04	17.33	17.80
DPS (Rs)	4.0	1.5	4.0	4.0	4.4
Dividend Yield	1.97%	0.74%	1.97%	1.97%	2.17%
EV/EBITDA (x)	10.96	38.53	19.01	13.65	11.91
P/FCFE (x)	49.42	48.05	27.28	28.05	27.31
Net Gearing	(34.5%)	(26.5%)	(27.1%)	(29.6%)	(30.2%)
P/BV (x)	3.20	2.56	2.35	2.16	2.01
ROE	19.1%	5.7%	8.7%	10.7%	11.7%
% Change In Core EPS Estimates			(5.70%)	(1.39%)	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

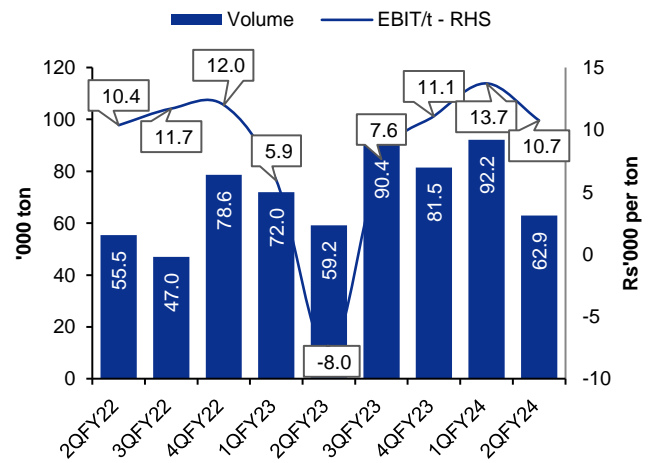
2QFY24 earnings-call highlights

- **Sales mix and growth aspiration:** Non-agri pipe and fittings accounted for 40% and 32% of total sales volume in 2QFY24 and 1HFY24, respectively. The West and South India regions continue to account for two-thirds of total sales. Management maintained its aspiration of achieving an equal mix between agri and non-agri pipes and fitting sales over the next three years. Management expects a sales volume CAGR of 7-9% for agri products and 13-15% for non-agri products over the next three-to-five years.
- **Sale volume guidance:** Management gave PVC resin sales volume guidance of 200-220kt, down ~10% yoy.
- **PVC prices:** The Indian average PVC price was Rs88/kg at end of Sep 2023. As global PVC prices corrected in Sep 2023, trade channels were anticipating a price cut by Reliance Industries (RIL), in line with import prices, and hence, started destocking at the end of Sep 2023. Since 1 Oct 2023, RIL has taken three rounds of price cuts and current PVC resin prices are in the range of Rs75-78/kg, nearly a 13% decline, in the first fortnight of the month. Most plastic product companies' managements have indicated that PVC/CPVC prices should stabilize at the current levels over the next three-to-six months. The steep resin price decline could lead to a marginal inventory loss this month, as per management.
- **Resin raw material shortage:** A vendor based in the Middle East had a force majeure clause situation at its manufacturing plant that led to shipment delay of EDC and VCM which, in turn, led to production loss of resin at Finolex Industries' plants. Management indicated the situation is now back to normal and import shipments are now being received on time. However, based on the supply contract signed, force majeure clause situations do not entail any compensation liability on the vendor.
- **Resin finished goods-raw material (FG-RM) spreads:** The 2QFY24 average price stood at US\$847/t for PVC, US\$276/t for EDC and US\$690/t for VCM. The FG-RM spreads for PVC-EDC stood at US\$571/t, and for PVC-VCM they stood at US\$157/t during 2QFY24. Spreads have further deteriorated for PVC-EDC to US\$450/t and for PVC-VCM to US\$95/t, in line with the fall in PVC prices.
- **Capex:** We expect FIL to utilize 80%+ capacity for pipe, fittings and resins by the end of Mar 2024F. The company is in the process of finalizing a capex plan for manufacturing pipe and fittings, as existing plants reach maximum capacity utilization. We have built in Rs2.5-3.5bn/year capex over FY24F-26F, including brownfield expansions and annual maintenance capex.
- **Cash conversion cycle:** Net working capital days increased to 49 days of TTM sales at the end of Sep 2023 as compared to 38 days (at the end of Mar 2023). At the end of Sep 2023, net cash, including equivalents, stood at Rs15bn, like the Mar 2023 level. The surplus land sale has been delayed and, in line with management's guidance, we expect two-thirds (~Rs2.5bn) of the land to be sold by Mar 2024F and the remaining portion to be sold (~Rs1.2bn) in FY25F.

Figure 1: Pipe and fittings segment - quarterly trend

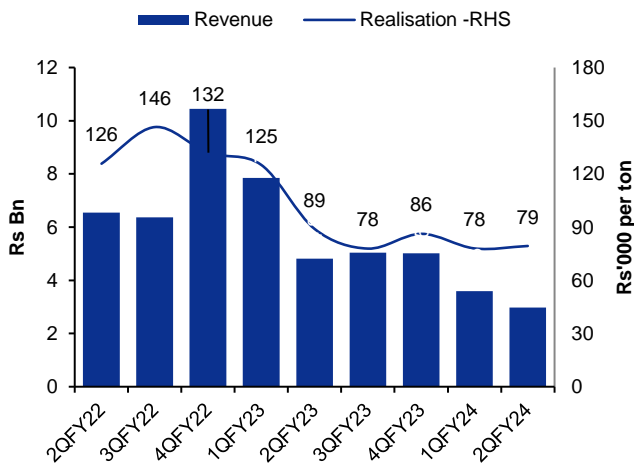


SOURCE: INCRED RESEARCH, COMPANY REPORTS

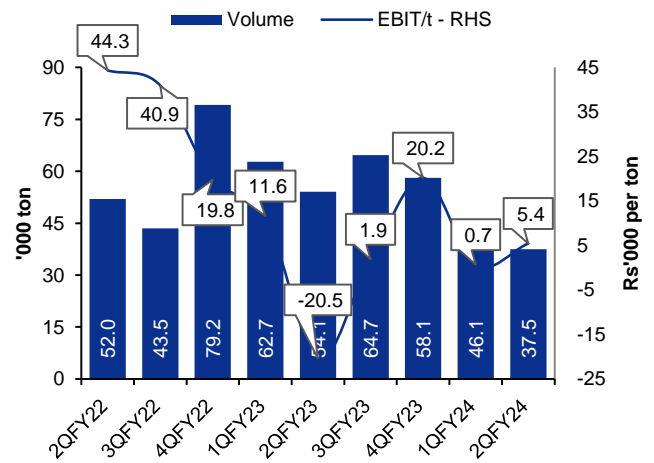


SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: PVC resin segment - quarterly trend

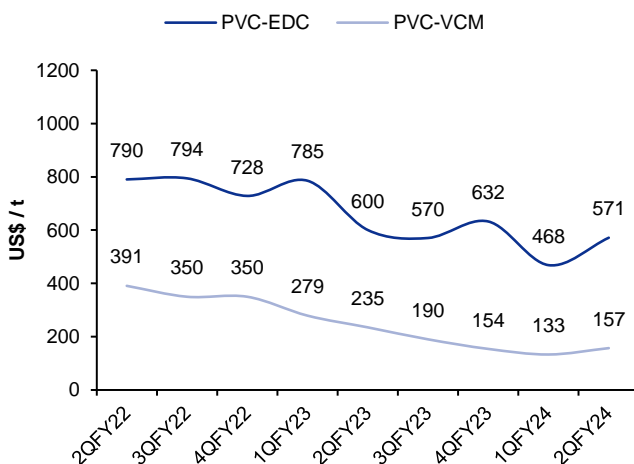


SOURCE: INCRED RESEARCH, COMPANY REPORTS



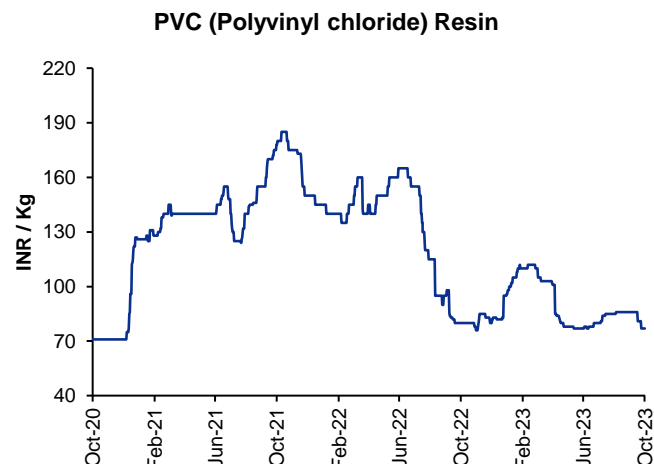
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: PVC-VCM and PVC-EDC spreads trend (quarterly)



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: PVC price trend



SOURCE: INCRED RESEARCH, BLOOMBERG

Figure 5: PVC spreads (finished goods – raw material spreads)

Spread (US\$/t)	2QFY24	2QFY23	yoy (%)	1QFY24	qoq (%)
PVC-EDC	571	600	(4.8)	468	22.0
PVC-VCM	157	235	(33.2)	133	18.0

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: 2QFY24 results snapshot

YE Mar (Rs m)	2QFY24	2QFY23	yoy (%)	1QFY24	qoq (%)	1HFY24	1HFY23	yoy (%)
Revenue	8,832	9,411	(6.2)	11,792	(25.1)	20,623	21,309	(3.2)
EBITDA	1,030	-1,427	(172.2)	1,525	(32.5)	2,555	-168	(1,624.2)
EBITDA margin (%)	11.7	-15.2	2,682 bp	12.9	-127 bp	12.4	-0.8	1,317 bp
Adj. PAT	980	-954	(202.7)	1,153	(15.1)	2,133	38	5,454.4
Diluted EPS (Rs)	1.6	-1.5		1.9		3.4	0.1	

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 7: 2QFY24 segment-wise results snapshot

YE Mar (Rs m)	2QFY24	2QFY23	yoy (%)	1QFY24	qoq (%)	1HFY24	1HFY23	yoy (%)
Revenue								
PVC resins	2,979	4,811	(38.1)	3,594	(17.1)	6,573	12,657	(48.1)
Pipes and fittings	8,572	8,017	6.9	11,542	(25.7)	20,114	19,337	4.0
Less: Inter-segmental revenue	2,719	3,417	(20.4)	3,345	(18.7)	6,063	10,685	(43.3)
Total	8,832	9,411	(6.2)	11,792	(25.1)	20,623	21,309	(3.2)
EBIT								
PVC resins	204	-1,107	(118.4)	31	553.8	235	-378	(162.3)
Pipes and fittings	676	-476	(241.9)	1,264	(46.5)	1,940	-51	(3,942.4)
Total	880	-1,583	(155.6)	1,296	(32.1)	2,176	-428	(608.0)
EBIT margin (%)								
PVC resins	6.8	-23.0	2986 bp	0.9	598 bp	3.6	-3.0	656 bp
Pipes and fittings	7.9	-5.9	1383 bp	11.0	-307 bp	9.6	-0.3	991 bp
Total	10.0	-16.8	2679 bp	11.0	-102 bp	10.5	-2.0	1,256 bp

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: Actuals vs. our estimates

Rs m	2QFY24	2QFY24F	Var (%)
Revenue	8,832	9,482	(6.9)
EBITDA	1,030	1,541	(33.2)
EBITDA margin (%)	11.7	16.3	-459 bp
Adj. PAT	980	1,410	(30.5)

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 9: Actuals vs. Bloomberg consensus estimates

Rs m	2QFY24	2QFY24C	Var (%)
Revenue	8,832	9,315	(5.2)
EBITDA	1,030	1,450	(29.0)
EBITDA margin (%)	11.7	15.6	-390 bp
Adj. PAT	980	1,094	(10.4)

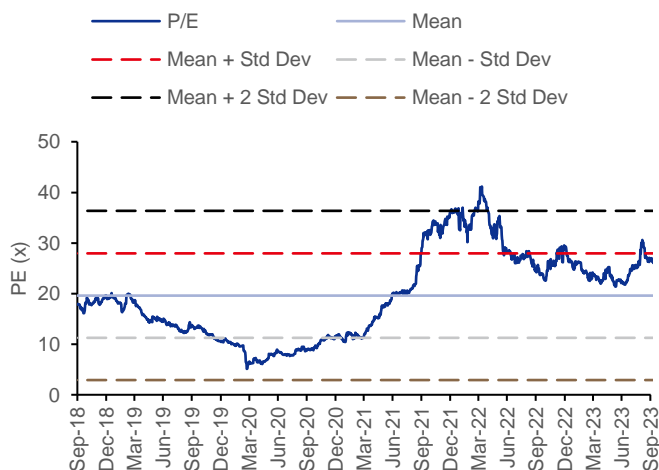
SOURCE: INCRED RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 10: Our revised earnings estimates

	New estimates			Old estimates			Change (%)		
	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F
Revenue	43,006	46,215	50,813	45,535	46,408	NA	-5.6	-0.4	NA
EBITDA	5,849	7,949	8,968	7,103	7,750	NA	-17.7	2.6	NA
Adjusted consol. PAT	6,971	6,008	7,063	8,491	6,093	NA	-17.9	-1.4	NA
EPS	7.2	10.1	12.0	7.6	9.8	NA	-5.4	3.5	NA
EBITDA margin (%)	13.6	17.2	17.7	15.6	16.7	NA	-200 bp	50 bp	NA

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 11: P/E standard deviation (five-year mean)



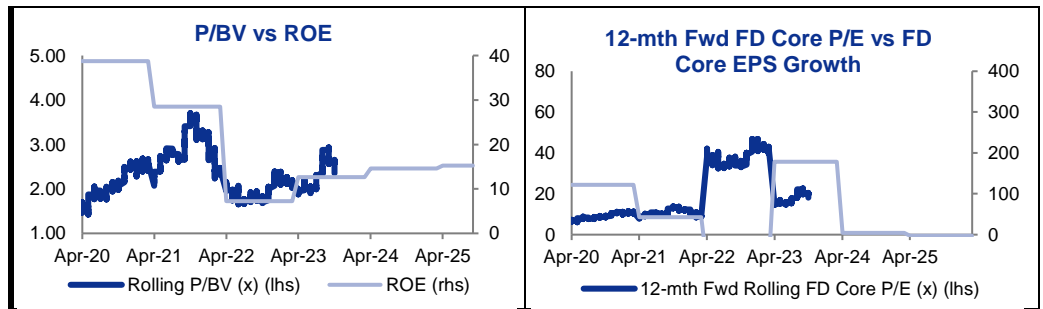
SOURCE: INCRED RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 12: P/E band (one-year forward EPS)



SOURCE: INCRED RESEARCH, COMPANY REPORTS, BLOOMBERG

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Total Net Revenues	46,473	43,971	43,006	46,215	50,813
Gross Profit	17,983	13,250	15,912	19,179	21,214
Operating EBITDA	10,237	2,925	5,849	7,949	8,968
Depreciation And Amortisation	(834)	(892)	(1,196)	(1,268)	(1,399)
Operating EBIT	9,403	2,033	4,653	6,681	7,569
Financial Income/(Expense)	347	147	994	877	1,008
Pretax Income/(Loss) from Assoc.	(15)	243	351	371	393
Non-Operating Income/(Expense)	335	790	500	250	263
Profit Before Tax (pre-EI)	10,070	3,213	6,498	8,180	9,232
Exceptional Items					
Pre-tax Profit	10,070	3,213	6,498	8,180	9,232
Taxation	(3,317)	(706)	(2,027)	(2,172)	(2,170)
Exceptional Income - post-tax	3,761	2,500	1,250	1,250	
Profit After Tax	10,513	2,507	6,971	7,258	7,063
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	10,513	2,507	6,971	7,258	7,063
Recurring Net Profit	6,753	2,507	4,471	6,008	7,063
Fully Diluted Recurring Net Profit	6,753	2,507	4,471	6,008	7,063

Cash Flow

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
EBITDA	10,237	2,925	5,849	7,949	8,968
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(756)	(2,088)	(1,677)	(466)	(737)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	441	3,005	1,845	1,499	1,663
Net Interest (Paid)/Received	(347)	(147)	(994)	(877)	(1,008)
Tax Paid	(3,356)	(679)	(2,027)	(2,172)	(2,170)
Cashflow From Operations	6,220	3,017	2,997	5,932	6,717
Capex	(844)	(1,687)	(2,500)	(2,844)	(3,354)
Disposals Of FAs/subsidiaries	3,806	11	2,500	1,250	
Acq. Of Subsidiaries/investments	(7,910)	(1,620)	2,000		
Other Investing Cashflow	544	419	1,363	1,145	1,240
Cash Flow From Investing	(4,403)	(2,877)	3,363	(449)	(2,113)
Debt Raised/(repaid)	728	2,477	(1,750)	(1,000)	
Proceeds From Issue Of Shares			4		
Shares Repurchased					
Dividends Paid	(2,482)	(2,482)	(2,482)	(2,482)	(2,730)
Preferred Dividends					
Other Financing Cashflow	(141)	(252)	(369)	(268)	(232)
Cash Flow From Financing	(1,895)	(257)	(4,597)	(3,750)	(2,962)
Total Cash Generated	(79)	(117)	1,763	1,734	1,641
Free Cashflow To Equity	2,544	2,617	4,609	4,483	4,603
Free Cashflow To Firm	1,676	(133)	5,991	5,216	4,371

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Total Cash And Equivalents	16,336	18,277	18,040	19,773	21,414
Total Debtors	3,345	2,975	3,299	3,545	3,968
Inventories	10,155	6,732	8,248	8,863	9,745
Total Other Current Assets	625	936	1,178	1,266	1,392
Total Current Assets	30,460	28,920	30,765	33,448	36,519
Fixed Assets	9,932	10,384	12,025	13,201	15,556
Total Investments	12,033	22,216	22,216	22,216	22,216
Intangible Assets					
Total Other Non-Current Assets	1,029	1,328	989	1,389	989
Total Non-current Assets	22,994	33,927	35,231	36,807	38,761
Short-term Debt	2,780	5,260	3,510	2,510	2,510
Current Portion of Long-Term Debt					
Total Creditors	4,631	2,893	3,535	3,799	4,176
Other Current Liabilities	4,577	3,182	2,946	3,165	3,480
Total Current Liabilities	11,989	11,335	9,990	9,474	10,167
Total Long-term Debt					
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	827	988	988	988	988
Total Non-current Liabilities	827	988	988	988	988
Total Provisions	1,360	1,493	1,493	1,493	1,493
Total Liabilities	14,176	13,816	12,472	11,955	12,648
Shareholders Equity	39,278	49,031	53,524	58,300	62,632
Minority Interests					
Total Equity	39,278	49,031	53,524	58,300	62,632

Key Ratios					
	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue Growth	34.2%	(5.4%)	(2.2%)	7.5%	9.9%
Operating EBITDA Growth	3.5%	(71.4%)	99.9%	35.9%	12.8%
Operating EBITDA Margin	22.0%	6.7%	13.6%	17.2%	17.6%
Net Cash Per Share (Rs)	21.85	20.98	23.42	27.82	30.47
BVPS (Rs)	63.30	79.02	86.26	93.96	100.94
Gross Interest Cover	66.74	7.47	12.61	24.95	32.57
Effective Tax Rate	32.9%	22.0%	31.2%	26.6%	23.5%
Net Dividend Payout Ratio	24.6%	29.0%	38.2%	30.3%	29.6%
Accounts Receivables Days	18.95	26.23	26.63	27.03	26.98
Inventory Days	123.90	100.31	100.90	115.50	114.74
Accounts Payables Days	54.98	44.70	43.30	49.50	49.17
ROIC (%)	60.8%	12.8%	28.6%	34.7%	35.5%
ROCE (%)	25.3%	4.9%	10.5%	13.0%	13.7%
Return On Average Assets	20.2%	5.3%	8.5%	10.7%	11.3%

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.