

India

HOLD (no change)

Consensus ratings*: Buy 16 Hold 6 Sell 14

Current price:	Rs1,022
Target price:	Rs1,060 ▲
Previous target:	Rs905
Up/downside:	3.7%
InCred Research / Consensus:	17.1%
Reuters:	TRCE.BO
Bloomberg:	TRCL IN
Market cap:	US\$2,900m Rs241,538m
Average daily turnover:	US\$5.9m Rs493.7m
Current shares o/s:	235.6m
Free float:	46.3%

*Source: Bloomberg

Key changes in this note

- Raise EBITDA by 4% for FY24F-26F.
- Raise target price to Rs1,060 from Rs905 earlier.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	7.6	18.3	45.1
Relative (%)	9.7	19.8	35.7

Major shareholders	% held
Promoter & Promoter Group	42.1
Kotak Equity Hybrid	6.8
LIC of India	7.0

Research Analyst(s)



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

Ramco Cements Ltd

Strong 2Q, but rich valuation limits upside

- TRCL's 2QFY24 EBITDA was at Rs3.99bn (our est. Rs3.4bn), up 1.2x yoy and 17% qoq, mainly due to strong volume and lower costs (outperforming its peers).
- We raise our FY24F-25F EBITDA estimates by 4% to factor in a higher sales volume and profitability in 2Q. Net debt rose qoq driven by higher capex.
- Retain our HOLD rating on the stock with a higher target price of Rs1,060 (Rs905 earlier). Current EV/t limits the upside in the stock price.

Strong volume growth in 2QFY24; realization down 3% qoq

2QFY24 cement volume of The Ramco Cements (TRCL) grew by ~38% yoy and 7% qoq to 4.61mt (~10% above our/consensus estimates). Capacity utilization was at 82% vs. 79% qoq. In 2Q, South India's volume growth was much stronger than that of East India. The eastern region volume fell to 19% vs. 21% qoq as it was impacted due to heavy rains. Further, TRCL hopes to maintain the same volume (or slightly higher) run-rate in 2HFY24F. Blended realization was down by ~3% qoq, much below our estimate and that of peers. Prices improved in Oct 2023 and management hopes the higher prices will sustain. We factor in FY24F/25F volume growth of 22%/8%, respectively.

Blended EBITDA/t up at ~Rs865 led by a decline in costs

Total cost/t was down 5% qoq and 12% yoy at Rs4,188, with raw material + P&F cost/t falling by 10% qoq and 21% yoy, and fuel consumption cost at US\$148/t (on per kcal basis down to Rs1.45 vs. Rs2.03 qoq and Rs2.58 yoy) vs. US\$170/t qoq and US\$199/t yoy. Fixed cost rose by only 1% due to operating leverage benefits. Spot pet-coke/coal (4,200kCal) costs were at US\$138/69/t, respectively. However, power & fuel or P&F cost/t may come down in the coming quarters, as per TRCL. Green energy consumption was 38% vs. 29% qoq due to a change in the usage of wind power for captive purposes (133MW shifted from sale to the grid to captive use); this should rise to ~40%/45% by FY24F/25F. Freight cost/t was down by 1% qoq, with the lead distance in 2Q at 259km vs. 274km qoq and 279km yoy. Going ahead, we feel cost deflation to be in line with coal/pet-coke prices.

Net debt rises qoq; TRCL likely to announce clinker unit expansion

Net debt rose to Rs49.7bn as of Sep 2023-end (peaked out) vs. Rs44bn as of Jun 2023-end (out of which Rs4.8bn was for working capital). TRCL incurred a huge capex of ~Rs12.2bn in 1HFY24 (Rs9.4bn in 2Q) and gave guidance of Rs16.5bn for FY24F (Rs8.5bn earlier). The 0.9mt grinding unit or GU in Odisha may be commissioned in Jan 2024F. The Kurnool line-2 (~2.5mt) will remain TRCL's priority, which it can commission in 12-15 months at a capex of <US\$40/t. TRCL has purchased limestone-bearing land in Karnataka and Andhra Pradesh during 2Q.

Retain HOLD rating with higher TP of Rs1,060; further upside capped

TRCL trades at EV/EBITDA multiple of 16.5/14.3x for FY24F/25F, respectively. We retain HOLD rating on it with a Sep 2024F target price of Rs1,060 (Rs905 earlier), set at one-year forward EV/EBITDA of 14x (13x earlier). TRCL trades at EV/t of US\$155 on FY25F, and we believe the current EV/t limits any further upside. **Downside risks:** Weak demand, pricing pressure, delay in capacity & a rise in input costs. **Upside risks:** Better-than-expected demand recovery & pricing growth, and better-than-expected cost control.

Financial Summary	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue (Rsm)	59,800	81,353	95,440	104,467	113,305
Operating EBITDA (Rsm)	12,838	11,820	17,471	19,750	21,976
Net Profit (Rsm)	8,927	3,435	5,453	6,947	8,347
Core EPS (Rs)	37.8	14.5	23.1	29.4	35.3
Core EPS Growth	17.1%	(61.6%)	58.7%	27.4%	20.1%
FD Core P/E (x)	27.02	70.31	44.30	34.77	28.94
DPS (Rs)	3.0	2.0	3.2	4.0	4.9
Dividend Yield	0.29%	0.20%	0.31%	0.40%	0.48%
EV/EBITDA (x)	21.71	24.09	16.51	14.35	12.52
P/FCFE (x)	167.09	81.36	21.12	12.85	12.67
Net Gearing	57.5%	63.6%	64.8%	53.5%	39.3%
P/BV (x)	3.70	3.56	3.33	3.09	2.83
ROE	14.7%	5.2%	7.8%	9.2%	10.2%
% Change In Core EPS Estimates			(0.53%)	(0.49%)	(0.46%)
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Strong 2Q, but rich valuation limits upside

2QFY24 results review

Key operational highlights of the quarter

- Volume: Cement sales volume (including dry mortar products) stood at 4.61mtpa, up ~38% yoy (~10% above Incred estimate and ~15% above consensus estimate). Capacity utilization was at ~82% during the quarter vs. ~79% qoq.
- Blended realization was at Rs5,053/t, down ~3.1% qoq and ~5% yoy (2% below Incred estimate) due to soft pricing during the quarter. Further, cement prices improved from Oct 2023 and are expected to have a positive impact on the operating margin in the coming quarters.
- Total operating cost/t was down ~5% qoq and 12% yoy to Rs4,188 vs. our estimate of Rs4,345 while P&F cost/t declined to Rs1,358 from Rs1,989 yoy and Rs1,758 qoq (blended fuel consumption stood at US\$148 vs. US\$170 qoq and US\$199/t yoy during the quarter - on Kcal basis at Rs1.75 in 2Q vs. Rs2.03 qoq and Rs2.58 yoy). Logistics cost/t declined by ~1% qoq to Rs 1,266, as the lead distance fell marginally. Fixed cost increased by only ~1% yoy on account of improved operating leverage.
- The overall green power usage significantly improved to ~38% in 2QFY24 from ~22% in 2QFY23 in view of change in the usage of wind power to captive purpose. The green power share is likely to reach 40% in FY24F and 45% in FY25F.
- The current spot CIF prices of pet-coke and 4,200 GAR coal from Indonesia have come to the levels of US\$138/t and US\$69/t, respectively. Even though fuel prices have come down in 2QFY24 for a brief span, power & fuel cost/t of cement in 2QFY24 remain at an elevated level due to the high base effect of the carrying value of fuel inventory.
- **EBITDA:** For the quarter, it was at Rs3.99bn vs. our expectation of Rs3.42bn, up 117% yoy and 17% qoq. EBITDA/t stood at Rs865 during the quarter (vs our estimate of Rs815/t) vs. Rs794/t in 1QFY24 and Rs549/t in 2QFY23.
- TRCL reported that PAT was up ~7.8x yoy and 28% qoq at ~Rs1bn vs. our expectation of Rs768m. Interest cost increased by 112% yoy and 25% qoq to Rs1.17bn due to commissioning of the integrated plant at Kolimigundla, Line-3 at RR Nagar & dry mortar plants. During 2QFY24, the average interest cost increased to 7.80% vs. 7.68% qoq and 6.35% in FY23.

Other updates:

- Net debt stood at Rs49.66bn as of Sep 2023-end (Rs3.74bn is short-term loan) vs. Rs44.06bn qoq and Rs43.51bn as of Mar 2023-end. Net debt/EBITDA stood at 3.01x vs. 3.15x qoq and 6.15x yoy.
- Capex: The company has incurred a capex of Rs12.25bn during 1HFY24.
- Acquired limestone-bearing lands in the states of Andhra Pradesh and Karnataka for long-term augmentation of mining reserves, which is a continuous process.
- TPP of 18MW will be commissioned during Dec 2023F and railway siding will be commissioned in Jun 2024F. Expansion of dry mortar plant: two units in Andhra Pradesh & Odisha will be commissioned in Dec 2023F.
- Odisha grinding unit Line II with a cement capacity of 0.9mtpa is likely to be commissioned in Jan 2024F.

Quarterly performance

Figure 1: Standalone quarterly performance

Particulars (Rs m)	2QFY24	2QFY24F	1QFY24	2QFY23	% Change		
					2QFY24F	1QFY24	2QFY23
Net Sales	23,293	21,664	22,411	17,844	8%	4%	31%
Raw Materials Consumed	3,308	2,462	2,350	2,135	34%	41%	55%
Freight and Forwarding Expenses	5,835	5,309	5,496	4,044	10%	6%	44%
Power and Fuel Costs	6,262	7,036	7,559	6,664	-11%	-17%	-6%
Employee Costs	1,385	1,210	1,266	1,121	14%	9%	24%
Other expenses	2,517	2,226	2,327	2,042	13%	8%	23%
Total Expenditure	19,307	18,243	18,996	16,006	6%	2%	21%
EBITDA	3,986	3,421	3,415	1,838	16%	17%	117%
Depreciation	1,574	1,502	1,479	1,216	5%	6%	29%
EBIT	2,412	1,919	1,936	622	26%	25%	288%
Interest	1,165	967	934	551	20%	25%	112%
Other Income	135	86	79	88	57%	71%	52%
PBT	1,382	1,038	1,081	160	33%	28%	762%
Tax	369	270	292	46	37%	26%	710%
Recurring PAT	1,013	768	789	115	32%	28%	783%
Extraordinary Items	0	0	0	0			
Reported PAT	1,013	768	789	115	32%	28%	783%
EPS (Rs)	4.3	3.3	3.3	0.5	32%	28%	783%
Gross Margin	33.9%	31.7%	31.3%	28.0%	221 bp	260 bp	583 bp
EBITDA Margin	17.1%	15.8%	15.2%	10.3%	132 bp	188 bp	681 bp
EBIT Margin	10.4%	8.9%	8.6%	3.5%	150 bp	172 bp	687 bp
PBT Margin	5.9%	4.8%	4.8%	0.9%	114 bp	111 bp	503 bp
PAT Margin	4.3%	3.5%	3.5%	0.6%	80 bp	83 bp	371 bp
Tax Rate	26.7%	26.0%	27.0%	28.4%			
Cost Items as a % of Sales							
RM Costs	66%	68%	69%	72%	-221 bp	-260 bp	-583 bp
Employee Costs	6%	6%	6%	6%	36 bp	30 bp	-34 bp
Other Expenses	11%	10%	10%	11%	53 bp	42 bp	-64 bp

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

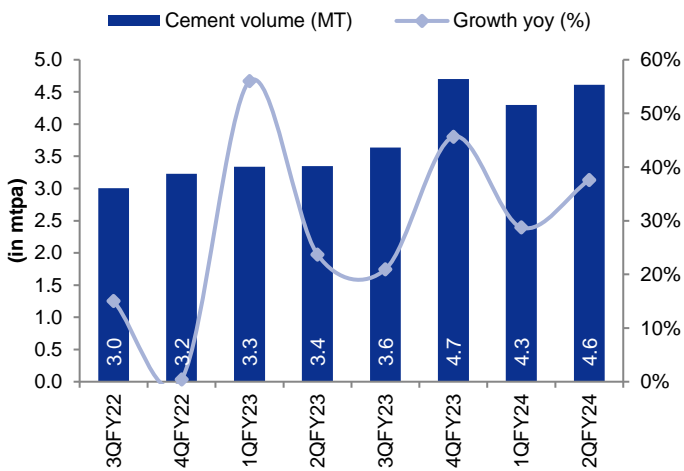
Figure 2: 2QFY24 results on per tonne analysis

Per tonne analysis	2QFY24	2QFY24F	1QFY24	2QFY23	% Change		
					2QFY24F	1QFY24	2QFY23
Sales volume (Cement + Clinker)	4.61	4.20	4.30	3.35	10%	7%	37.6%
Realization	5,053	5,160	5,212	5,326	-2%	-3.1%	-5%
EBITDA/t	865	815	794	549	6%	9%	58%
RM Costs/t	717	586	546	637	22%	31%	13%
P&F Costs/t	1,358	1,676	1,758	1,989	-19%	-23%	-32%
Freight Costs/t	1,266	1,264	1,278	1,207	0%	-1%	5%
Employee Costs/t	300	288	294	335	4%	2%	-10%
Other Expenses/t	546	530	541	610	3%	1%	-10%
Total Cost/t	4,188	4,345	4,418	4,778	-4%	-5%	-12%

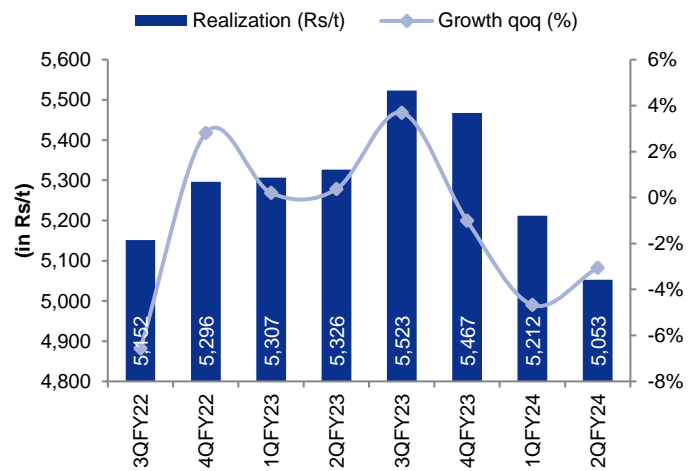
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Key charts ➤

Figure 3: Cement sales volume was up by ~38% yoy and ~7% qoq **Figure 4: Blended realization was down by ~3% qoq and ~5% yoy at 4.61mt**

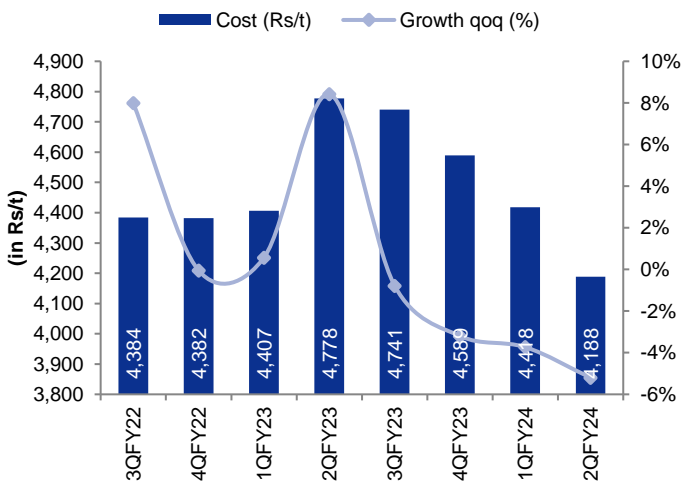


SOURCE: INCRED RESEARCH, COMPANY REPORTS



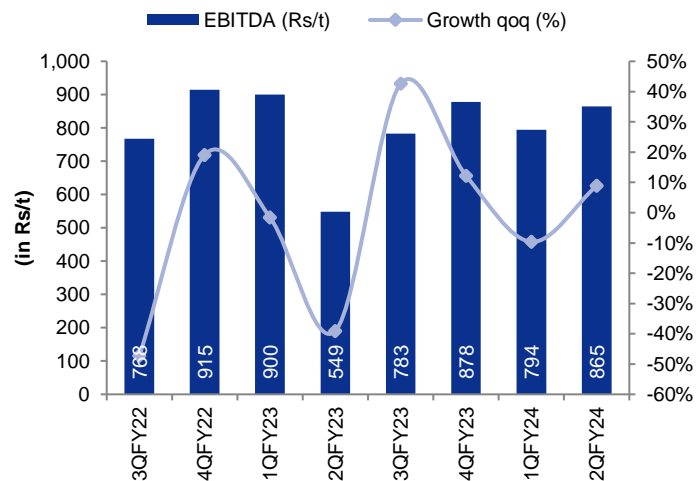
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Cost/t declines by ~5% qoq and 12% yoy



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: Unit EBITDA improves by Rs70 qoq to Rs865/t vs. our expectation of Rs815/t



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 7: Our revised earnings estimates

Rs. m	New			Old			Change (%)		
	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F
Sales	95,440	1,04,467	1,13,305	93,695	1,02,556	1,11,747	2%	2%	1%
EBITDA	17,470	19,750	21,975	16,835	19,006	21,015	4%	4%	4%
PAT	5,452	6,947	8,346	5,436	6,916	8,303	0%	0%	1%
EPS (Rs.)	23.1	29.4	35.3	23	29	35	0%	0%	1%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

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

Rs. m	Incred			Consensus			Change (%)		
	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F
Sales	95,440	1,04,467	1,13,305	93,186	1,01,960	1,07,805	2%	2%	5%
EBITDA	17,470	19,750	21,975	16,445	19,285	21,757	6%	2%	1%
PAT	5,452	6,947	8,346	5,716	7,601	9,280	-5%	-9%	-10%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG

Figure 9: Key assumptions

	FY22	FY23F	FY24F	FY25F	FY26F
Volume (mtpa)	11	15	18	20	21
yoy	11%	34%	22%	8%	7%
Realisation (per tonne)	5,413	5,488	5,230	5,303	5,377
yoy	3%	1%	-5%	1%	1%
Cost (per tonne)	4,251	4,690	4,311	4,337	4,370
yoy	14%	10%	-8%	1%	1%
EBITDA (per tonne)	1,162	797	966	1,011	1,051
yoy	-25%	-31%	21%	5%	4%
EBITDA (Rs m)	12,837	11,818	17,470	19,750	21,975
yoy	-17%	-8%	48%	13%	11%

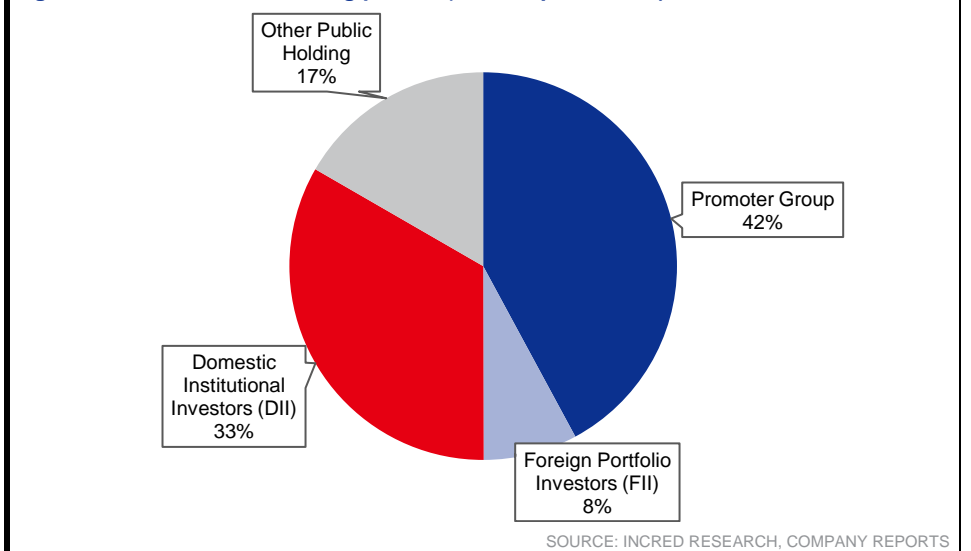
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 10: Maintain HOLD rating with a Sep 2024F target price of Rs1,060, set at one-year forward EV/EBITDA of 14x

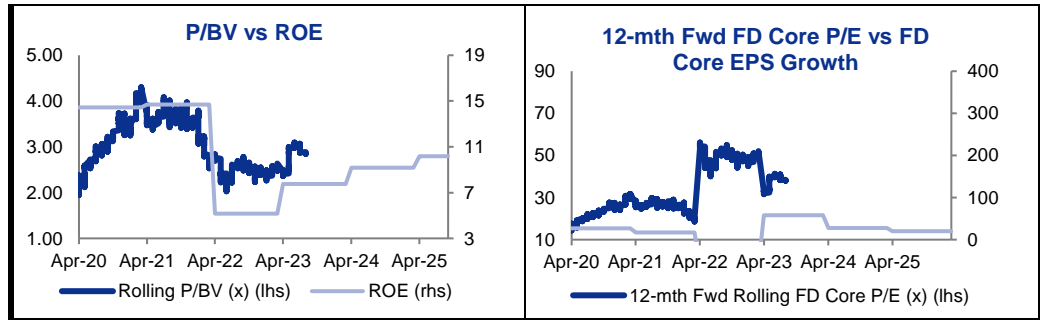
Valuation	TP
Target EV/EBITDA (x)	14.0
Target EV (Rs m)	3,07,654
Net debt / (cash) (Rs m)	41,909
No. of shares (m)	236
Fair value per share (Rs)	1,060

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 11: TRCL's shareholding pattern (as of Sep 2023-end)



BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Total Net Revenues	59,800	81,353	95,440	104,467	113,305
Gross Profit	59,800	81,353	95,440	104,467	113,305
Operating EBITDA	12,838	11,820	17,471	19,750	21,976
Depreciation And Amortisation	(4,008)	(5,044)	(6,154)	(6,647)	(7,045)
Operating EBIT	8,830	6,775	11,316	13,104	14,930
Financial Income/(Expense)	(1,124)	(2,405)	(4,329)	(4,113)	(4,072)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	306	367	382	397	421
Profit Before Tax (pre-EI)	8,012	4,737	7,369	9,388	11,279
Exceptional Items					
Pre-tax Profit	8,012	4,737	7,369	9,388	11,279
Taxation	915	(1,302)	(1,916)	(2,441)	(2,933)
Exceptional Income - post-tax					
Profit After Tax	8,927	3,435	5,453	6,947	8,347
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	8,927	3,435	5,453	6,947	8,347
Recurring Net Profit	8,927	3,435	5,453	6,947	8,347
Fully Diluted Recurring Net Profit	8,927	3,435	5,453	6,947	8,347

Cash Flow

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
EBITDA	12,838	11,820	17,471	19,750	21,976
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(84)	(3,224)	(66)	(1,190)	(927)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	306	367	382	397	421
Other Operating Cashflow	(1,561)	8,794	10,294	11,794	13,294
Net Interest (Paid)/Received	(1,124)	(2,405)	(4,329)	(4,113)	(4,072)
Tax Paid	915	(1,302)	(1,916)	(2,441)	(2,933)
Cashflow From Operations	11,291	14,050	21,836	24,198	27,759
Capex	(18,095)	(17,628)	(16,200)	(5,700)	(6,200)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/Investments					
Other Investing Cashflow	(8)	759	1,300	(700)	1,300
Cash Flow From Investing	(18,103)	(16,869)	(14,900)	(6,400)	(4,900)
Debt Raised/(repaid)	8,256	5,788	4,500	1,000	(3,800)
Proceeds From Issue Of Shares	23		(908)	(1,157)	(1,390)
Shares Repurchased					
Dividends Paid	(709)	(473)	(908)	(1,157)	(1,390)
Preferred Dividends					
Other Financing Cashflow	(416)	(2,571)	(8,886)	(10,437)	(11,704)
Cash Flow From Financing	7,154	2,745	(6,202)	(11,751)	(18,284)
Total Cash Generated	342	(75)	733	6,047	4,575
Free Cashflow To Equity	1,444	2,969	11,436	18,798	19,059
Free Cashflow To Firm	(5,689)	(414)	11,265	21,910	26,931

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	1,760	1,686	2,419	8,465	13,040
Total Debtors	3,498	4,650	4,707	5,438	5,898
Inventories	8,333	8,823	9,936	10,876	11,486
Total Other Current Assets	3,454	3,715	4,867	5,328	5,892
Total Current Assets	17,046	18,874	21,929	30,107	36,316
Fixed Assets	75,309	99,557	109,403	108,256	107,211
Total Investments	4,220	4,209	4,409	4,609	4,809
Intangible Assets	30,340	19,873	18,373	18,873	17,373
Total Other Non-Current Assets	3,641	2,656	2,856	3,056	3,256
Total Non-current Assets	113,510	126,295	135,041	134,794	132,649
Short-term Debt	10,727	8,653	10,153	10,353	9,353
Current Portion of Long-Term Debt					
Total Creditors	4,892	6,373	8,216	8,145	7,961
Other Current Liabilities	12,165	15,812	16,225	17,237	18,129
Total Current Liabilities	27,784	30,837	34,594	35,735	35,442
Total Long-term Debt	28,573	36,222	39,222	40,022	37,222
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	8,949	10,175	10,675	10,875	11,075
Total Non-current Liabilities	37,522	46,397	49,897	50,897	48,297
Total Provisions					
Total Liabilities	65,307	77,234	84,490	86,632	83,739
Shareholders Equity	65,249	67,935	72,480	78,269	85,226
Minority Interests					
Total Equity	65,249	67,935	72,480	78,269	85,226

Key Ratios					
	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue Growth	13.5%	36.0%	17.3%	9.5%	8.5%
Operating EBITDA Growth	(17.1%)	(7.9%)	47.8%	13.0%	11.3%
Operating EBITDA Margin	21.5%	14.5%	18.3%	18.9%	19.4%
Net Cash Per Share (Rs)	(158.86)	(182.77)	(198.71)	(177.36)	(141.91)
BVPS (Rs)	276.13	287.50	306.73	331.23	360.67
Gross Interest Cover	7.86	2.82	2.61	3.19	3.67
Effective Tax Rate		27.5%	26.0%	26.0%	26.0%
Net Dividend Payout Ratio	7.9%	13.8%	13.8%	13.8%	13.8%
Accounts Receivables Days	22.12	18.28	17.89	17.72	18.26
Inventory Days	43.68	38.49	35.87	36.36	36.02
Accounts Payables Days	33.14	29.57	34.15	35.25	32.18
ROIC (%)	8.2%	5.8%	9.0%	10.4%	11.9%
ROCE (%)	9.2%	6.2%	9.6%	10.5%	11.5%
Return On Average Assets	8.2%	4.2%	6.5%	6.9%	7.4%

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.