

October 27, 2025

RESULT REPORT Q2 FY26 | Sector: Building Materials

Supreme Industries Ltd

Better than expected volume growth but margins disappoint, current multiples restrict meaningful upside; maintain NEUTRAL!

Key take aways from Q2FY26 Earnings:

Overall performance – Revenue better than expected but MISS on margin front: Revenue stood at Rs23.94Bn (8% above est), a growth of 5%YoY. EBITDA% stood at 12.4% (est 14.2%) Vs 14%/12.2% in Q2FY25/Q1FY26 respectively. EBITDA came in at Rs2.98Bn, a decline of 7%YoY. Net profit was Rs1.93Bn, degrowth of 12%YoY; net profit was inflated owing to higher than expected other income which was Rs590Mn.

Plastic pipes segment – Better than expected volumes: Volumes were 119,860Te, a growth of 17%YoY (including the contribution from WAVIN). Ex-Wavin (3,000Te) plastic pipe volumes increased by 14%YoY. ASP/Kg stood at Rs134 Vs Rs141/Rs120 in Q2FY25/Q1FY26 respectively backed by better pricing and favorable product-mix. Consequently, pipes revenue grew by 11%YoY to Rs16Bn. Despite better pricing on sequential basis, EBIT/Kg remained steady over similar period at Rs10.6.

Industrial segment – Benign performance continues, sharp knock on profit: Volumes stood at 13,927Te, a decline of 8%YoY. ASP/Kg came in at Rs203 Vs Rs217/Rs206 in Q2FY25/Q1FY26 respectively. Revenue stood at Rs2.83Bn, a decline of 14%YoY. EBIT/Kg came in at Rs8 as against Rs19/Rs12 in Q2FY25/Q1FY26 respectively.

Packaging segment – Flattish performance, margins steady: Volumes stood at 16,593Te, remaining flattish YoY. ASP/Kg came in at Rs237 Vs Rs241/Rs248 in Q2FY25/Q1FY26 respectively. Revenue for the segment declined marginally by 2%YoY to Rs3.94Bn. EBIT/Kg came in at Rs29 as compared to Rs25/Rs28 in Q2FY25/Q1FY26 respectively.

Consumer segment – Marginal pick-up in volumes, profit under pressure: Volumes stood at 4,381Te, a growth of 6%YoY. ASP/Kg stood at Rs236 Vs Rs251/Rs234 in Q2FY25/Q1FY26 respectively. Revenue stood at Rs1.03Bn, remaining flattish YoY. EBIT/Kg came in at Rs32 as against Rs41/Rs33 in Q2FY25/Q1FY25 respectively.

Value-added products – Increase in contribution to total sales: Sales from VAP stood at Rs10.73Bn; a growth of 18%YoY. Contribution of VAP to total revenue came in at 45% Vs 40% in Q2FY25.

Snapshot Overview

Parameter	Q2 FY26	QoQ (%)	YoY (%)	vs Est	vs Bloom
Revenue	23,940	-8.2%	5.3%	Beat	In-line
EBITDA	2,975	-6.6%	-6.8%	Miss	Miss
EBITDA Margin (%)	12.4%	22 bps	-162 bps	Miss	Miss
PAT	1,934	9.4%	-11.9%	Beat	Miss

Source: Bloomberg, YES Sec

Key Data points

Plastic Pipes	Q2 FY26	QoQ (%)	YoY (%)	vs Est	vs Bloom
Volume (Te)	119,860	-19.4%	17.2%	Beat	In-Line
ASP	134	10.9%	-5.0%	Beat	In-Line
EBIT/Te	11	0.0%	-27.9%	Miss	Miss

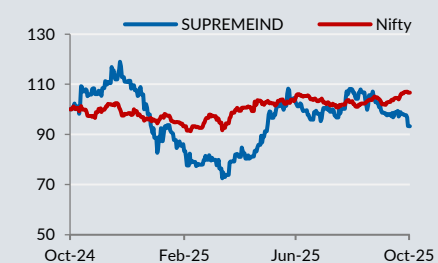
Source: Bloomberg, YES Sec

Reco	: NEUTRAL
CMP	: Rs 4,001
Target Price	: Rs 4,083
Potential Return	: +2%

Stock data (as on Oct 27, 2025)

Nifty	25,966
52 Week h/l (Rs)	5,157 / 3,095
Market cap (Rs/USD mn)	532,293 / 6,033
Outstanding Shares (mn)	127
6m Avg t/o (Rs mn):	951
Div yield (%):	0.8
Bloomberg code:	SI IN
NSE code:	SUPREMEIND

Stock performance



	1M	3M	1Y
Absolute return	-5.5%	-7.2%	-6.7%

Shareholding pattern (As of Sep'25 end)

Promoter	48.9%
FII+DII	36.8%
Others	14.4%

Δ in stance

(1-Yr)	New	Old
Rating	NEUTRAL	NEUTRAL
Target Price	4,083	4,244

Δ in earnings estimates

	FY26E	FY27E
EPS (New)	70.6	95.7
EPS (Old)	81.4	99.1
% change	-13%	-3%

Financial Summary

(Rs mn)	FY25	FY26E	FY27E
Net Revenue	104,463	112,748	128,520
YoY Growth	3%	8%	14%
EBITDA	14,327	14,830	18,786
EBITDA (%)	13.7%	13.2%	14.6%
PAT	8,968	8,966	12,157
YoY Growth	-12%	0%	36%
ROE	19%	17%	21%
EPS	70.6	70.6	95.7
P/E	48.5	56.7	41.8
BV/Share	392.4	431.0	494.7
P/BV	8.7	9.3	8.1

UDIT GAJIWALA

Lead Analyst

📞 +91 22 6992 2934 / 35 / 36



SHALIN DAMANI, Associate

ANALYST VIEW & INVESTMENT THESIS

1-year View:

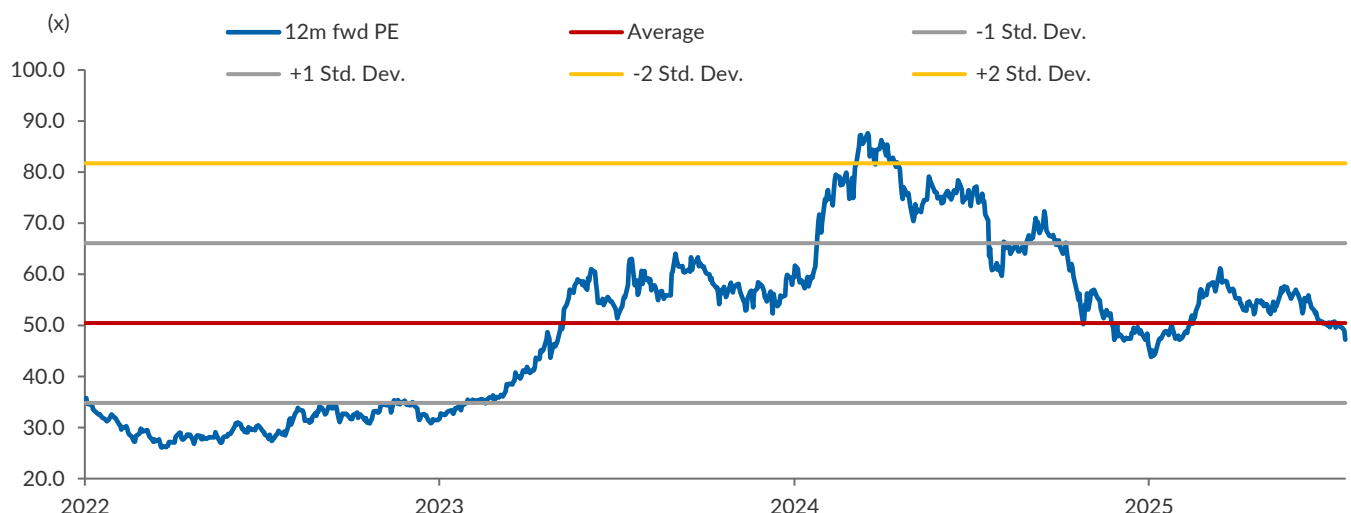
The performance delivered by SI was largely in line with expectations. Weak demand due to prolonged monsoons, lower government spending on infrastructure, and uncertainty around resin prices impacted overall performance. During H1FY26, the company registered revenue growth of 8%YoY, with plastic pipe volumes up 11%YoY, supported by the commencement of the WAVIN facility and low-base impact. Heading into H2FY26, demand is expected to improve driven by a pick-up in government projects. Additionally, with the ramp-up of the WAVIN acquisition and the implementation of ADD (Anti-Dumping Duty) expected in Q3FY26, channel inventory levels should normalize, supporting volume growth of 17%YoY in H2FY26, translating to 14%YoY growth for FY26E. However, margins in H1FY26 were under pressure owing to volatile resin prices, a volume-driven sales approach, and costs associated with the WAVIN plant ramp-up. Consequently, we have revised our full-year margin estimates downwards, leading to a 13% cut in FY26E EPS. Management remains confident of achieving an annual turnover of Rs110-115Bn with operating margins of 14.5-15.5%.

3-years View:

Demand is expected to revive from FY27E onwards, supported by a pick-up in infrastructure activities and renewed government spending on key schemes such as the Jal Jeevan Mission post state elections. Furthermore, with the imposition of ADD in FY26, channel inventory levels are likely to normalize from the coming fiscal. We project plastic pipe demand to grow at 8-9% CAGR over the next three years, with organized players expected to outperform. Consequently, we estimate SI's volumes to grow by ~12% CAGR during this period. On the margin front, we expect profitability to improve from H1FY26 levels, driven by higher volumes, ramp-up of the WAVIN plant, and a better product mix.

At CMP, stock trades at a P/E(x) ~42x on our standalone EPS est of Rs96 for FY27E (revised downwards by 3% Vs previous estimate). We continue to value the company at P/E(x) of 40x on FY27E EPS, and arrive at a target price of Rs4,083 (including Rs256/share contribution from Supreme Petrochem Ltd). Hence, we maintain our NEUTRAL rating on the stock.

Exhibit 1: 1-year forward P/E (x) chart



Source: Company, YES Sec

CONCALL SUMMARY

- **Guidance** – Management revised overall volume guidance for FY26E from 14-15% to 12-14%. Plastic pipes volume guidance was maintained at 15-17% (including Wavin) for FY26E. Annual turnover is expected to be Rs110-115Bn for FY26 with EBITDA margin guidance of 14.5-15.5%. Currently, channel inventory levels are below normal, and restocking is expected to commence.
- **Wavin** – Wavin registered a volume of 3,000Te in Q2FY26 (2 months of operations). Operations have commenced properly in Oct'25 and management expects Wavin to register 20,000Te volumes in FY26 (8 months) and normalized annual volumes of 30,000Te. At operating level Wavin is profitable in Q2FY26 and is expected to deliver company level margins by Nov'25. Acquisition of Wavin added 120 sales members and 266 new dealers for the company. Company has already paid a royalty of Rs2.6Bn for Wavin.
- **VAP** – Revenue from value-added products increased to Rs10.73Bn in Q2FY26 Vs Rs9.07Bn in Q2FY25.
- **CPVC segment** registered a growth of 26%YoY in H1FY26.
- **Inventory loss** in H1FY26 is to the tune of Rs500-600Mn owing to decline in raw material prices. Management believes polymer prices have bottomed out. Crude prices are US\$62-65 at present and management does not anticipate further inventory loss unless crude prices decrease drastically.
- **Window profile** – Construction work for window profile project is almost complete and initial production line equipment has been installed and trials have commenced. Company expects to commence production in Dec'25 in UP, NCR, & Haryana region initially.
- **Protective packaging** – The segment is expected to achieve double-digit volume growth in the year leading to a revenue milestone of Rs10Bn for FY26E.
- **Capacity expansion** – By FY26E end, pipes capacity is expected to be 1Mn Te and total capacity is expected to be 1.2Mn Te. In FY27, company plans to set up a new unit for material handling products at Malanpur to expand footprint in central India, greenfield plastic pipes units at Bihar & Jammu, and protective packaging unit in West Maharashtra for which land is already acquired.
- **Capex** – In H1FY26, company incurred a capex of Rs8.69Bn including acquisition of Wavin; window profiles/silent pipe systems capex was Rs2Bn/Rs0.8Bn respectively. Total outflow is expected to be Rs13Bn towards existing and new capital commitments including Wavin for FY26E.
- **Net Debt** – Company had a net cash position of Rs0.49Bn as on 30 Sep'25 Vs net cash of 9.44Bn as on 31 Mar'25. Short-term debt of Rs2.4Bn taken is temporary.

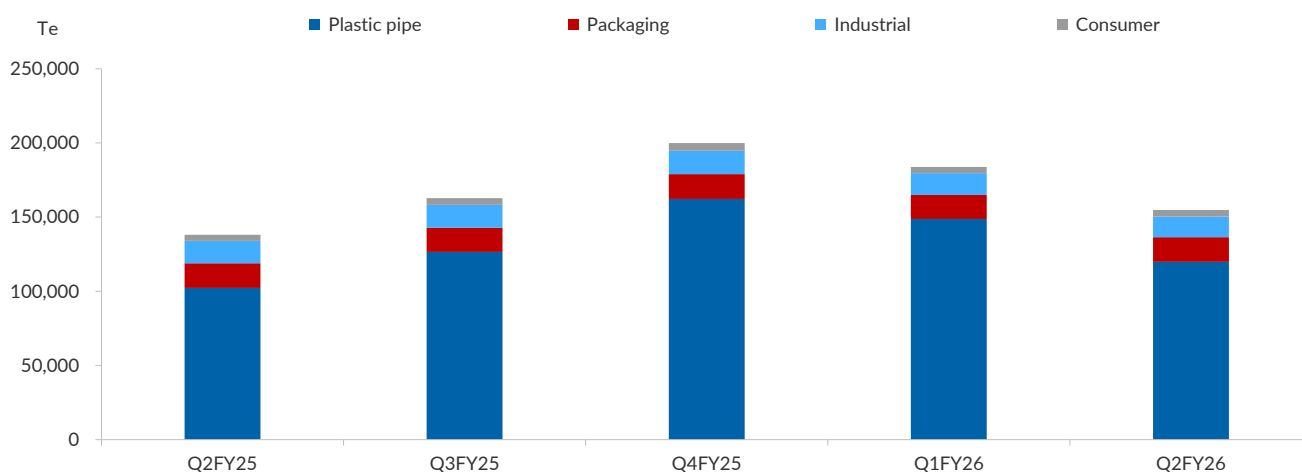
Estimate Revisions

Metric (Rs Mn)	Old Est (FY27E)	New Est	% Change	Reason
Revenue	129,270	128,520	-1%	Broadly maintain estimates
EBITDA	19,367	18,786	-3%	Slightly lower margins expected
EPS	99	96	-3%	

Valuation Snapshot

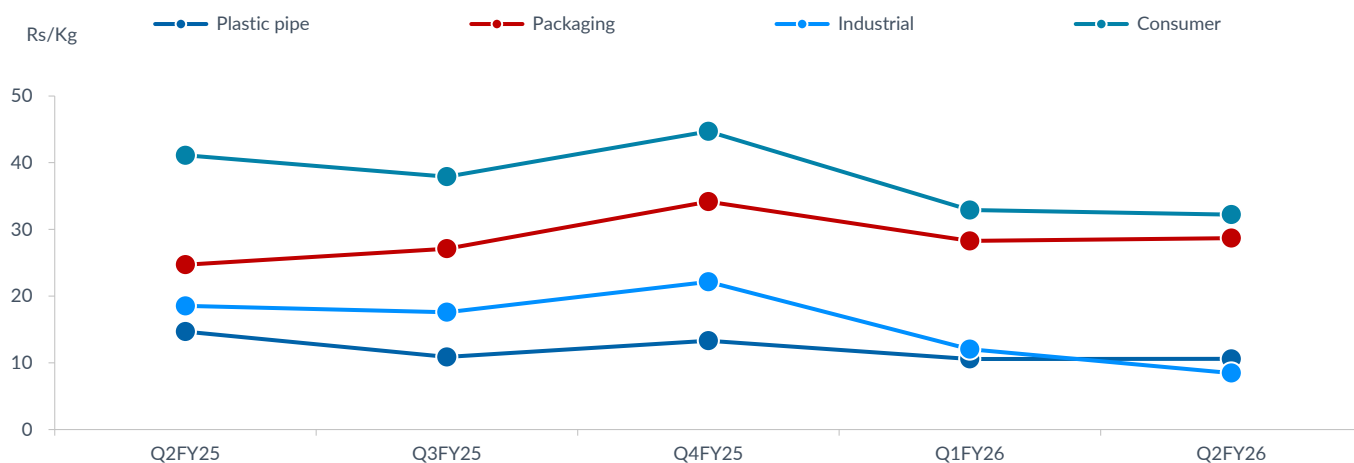
Valuation Metric	FY25	FY26E	FY27E
P/E (x) (Stand)	48.5	56.7	41.8
EV/EBITDA (x) (Stand)	29.7	33.6	26.1
ROCE (%)	24.1	22.1	26.4

Exhibit 2: Segmental volumes



Source: Company, YES Sec

Exhibit 3: Segment-wise EBIT/Kg



Source: Company, YES Sec

FINANCIALS

Exhibit 4: Quarterly snapshot (Standalone)

Particulars (Rs Mn)	Q2FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Net Sales	22,730	26,092	23,940	5.3	(8.2)
COGS	14,886	17,901	15,870	6.6	(11.3)
% of sales	65.5	68.6	66.3	80.0	(231.6)
Gross margin %	34.5	31.4	33.7	(80.0)	231.6
Employee costs	1,195	1,346	1,342	12.3	(0.3)
% of sales	5.3	5.2	5.6	34.8	45.0
Other expenses	3,455	3,661	3,752	8.6	2.5
% of sales	15.2	14.0	15.7	47.3	164.5
EBITDA	3,193	3,185	2,975	(6.8)	(6.6)
EBITDA margin %	14.0	12.2	12.4	(162.1)	22.1
Depreciation	899	930	1,044	16.0	12.2
EBIT	2,294	2,255	1,932	(15.8)	(14.3)
EBIT margin %	10.1	8.6	8.1	(202.3)	(57.2)
Interest expense	26	28	58	122.5	111.2
Other income	556	169	590	6.1	248.6
PBT	2,823	2,396	2,463	(12.8)	2.8
Tax	629	629	529	(16.0)	(15.9)
Effective tax rate %	22.3	26.2	21.5	(81.5)	(476.7)
Adj.PAT after Share of Assc & JV	2,194	1,767	1,934	(11.9)	9.4
PAT margin %	9.7	6.8	8.1	(157.4)	130.5

Source: Company, YES Sec

Exhibit 5: Income statement

Particulars (Rs Mn)	FY23	FY24	FY25	FY26E	FY27E
Revenues	92,015	101,342	104,463	112,748	128,520
Growth (%)	18.4%	10.1%	3.1%	7.9%	14.0%
EBITDA	12,000	15,485	14,327	14,830	18,786
EBITDA margin (%)	13.0%	15.3%	13.7%	13.2%	14.6%
Growth (%)	-3.4%	29.0%	-7.5%	3.5%	26.7%
Depreciation & Amortization	2,634	2,984	3,586	4,126	4,540
Other income	819	1,178	1,128	1,300	1,800
EBIT	10,185	13,679	11,870	12,004	16,046
EBIT margin (%)	11.1%	13.5%	11.4%	10.6%	12.5%
Interest	80	161	119	50	50
PBT	10,104	13,518	11,751	11,954	15,996
Tax	2,460	3,357	2,783	2,989	3,839
Net profit	7,645	10,162	8,968	8,966	12,157
Net profit margin (%)	8.3%	10.0%	8.6%	8.0%	9.5%

Particulars (Rs Mn)	FY23	FY24	FY25	FY26E	FY27E
EPS	60.2	80.0	70.6	70.6	95.7
Growth (%)	-5.8%	32.9%	-11.7%	0.0%	35.6%

Source: Company, YES Sec

Exhibit 6: Balance sheet

Particulars (Rs Mn)	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	254	254	254	254	254
Reserves	38,194	44,731	49,605	54,506	62,598
Total Shareholders' Funds	38,448	44,985	49,859	54,760	62,852
Non-current liabilities					
Deferred Tax liabilities	908	960	876	876	876
Current liabilities					
Trade payables	9,047	10,153	8,931	9,467	10,425
Other financial liabilities	1,244	1,433	1,412	1,412	1,412
Total equity and liabilities	51,376	59,449	64,929	70,366	79,415
Non-current assets					
PPE	19,764	21,801	25,010	28,884	27,344
CWIP	837	1,437	4,026	4,026	4,026
Current assets					
Inventories	13,856	13,586	13,337	14,137	15,567
Trade receivables	4,918	5,111	5,399	5,827	6,643
Cash and cash equivalents	7,452	11,862	9,523	9,857	18,201
Loans and advances	19	25	26	26	26
Other current assets	2,416	2,261	2,553	2,553	2,553
Total assets	51,376	59,449	64,929	70,366	79,415

Source: Company, YES Sec

Exhibit 7: Cash flow statement

Particulars (Rs Mn)	FY23	FY24	FY25	FY26E	FY27E
PBT	10,104	13,518	11,751	11,954	15,996
Add: Depreciation	2,634	2,984	3,586	4,126	4,540
Add: Interest	80	161	119	50	50
Less: WC changes	(770)	1,789	(1,002)	(693)	(1,287)
Less: taxes paid	(2,375)	(3,232)	(3,023)	(2,989)	(3,839)
Cash flow from operations	8,914	14,128	10,039	12,449	15,459
Capital expenditure	(4,214)	(6,855)	(8,877)	(8,000)	(3,000)
Cash flow from investing activities	(3,489)	(6,085)	(7,907)	(8,000)	(3,000)
Interest paid	(15)	(39)	(57)	(50)	(50)
Dividend	(3,049)	(3,557)	(4,065)	(4,065)	(4,065)
Cash from financing activities	(3,270)	(3,817)	(4,400)	(4,115)	(4,115)
Change in cash balance	2,156	4,226	(2,269)	334	8,344
Opening cash balance	5,175	7,377	11,782	9,523	9,857
Closing cash balance	7,377	11,782	9,440	9,857	18,201

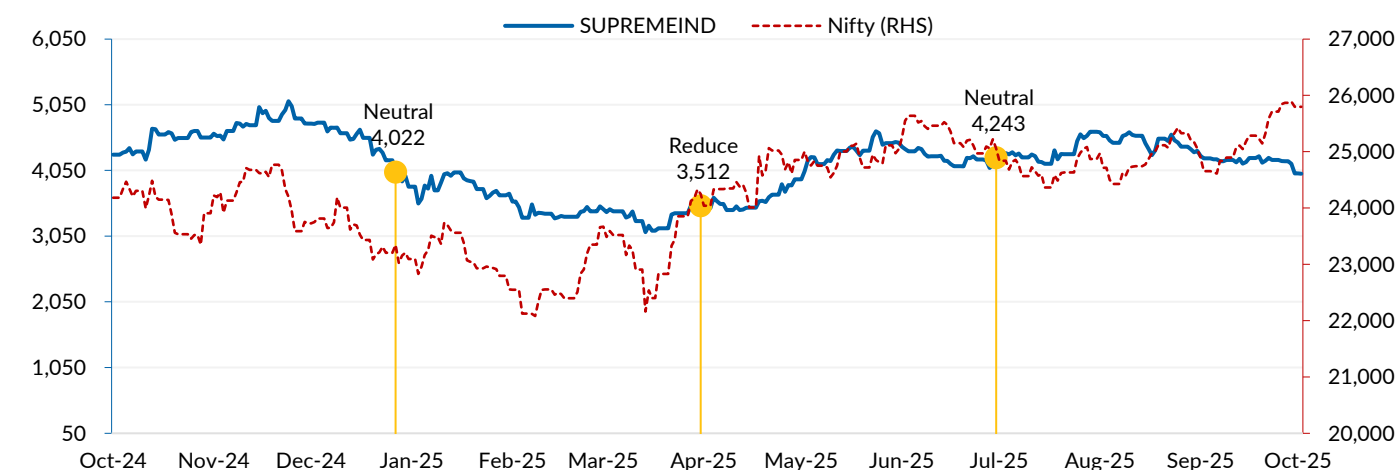
Source: Company, YES sec

Exhibit 8: Ratio analysis

Particulars	FY23	FY24	FY25	FY26E	FY27E
Growth (%)					
Total Sales	18.4%	10.1%	3.1%	7.9%	14.0%
EBIDTA	-3.4%	29.0%	-7.5%	3.5%	26.7%
EBIT	-5.7%	34.3%	-13.2%	1.1%	33.7%
PAT	-5.8%	32.9%	-11.7%	0.0%	35.6%
Profitability (%)					
EBIDTA Margins	13.0%	15.3%	13.7%	13.2%	14.6%
EBIT Margins	11.1%	13.5%	11.4%	10.6%	12.5%
PAT Margins	8.3%	10.0%	8.6%	8.0%	9.5%
ROCE	27.0%	31.5%	24.1%	22.1%	26.4%
ROE	21.1%	24.4%	18.9%	17.1%	20.7%
Per Share Data (Rs)					
EPS	60.2	80.0	70.6	70.6	95.7
CEPS	80.9	103.5	98.8	103.0	131.4
BVPS	302.6	354.1	392.4	431.0	494.7
Valuations (x)					
P/E (x)	51.6	54.2	48.5	56.7	41.8
P/CEPS (x)	38.4	41.9	34.7	38.8	30.4
P/BV (x)	10.3	12.3	8.7	9.3	8.1
EV/EBIDTA	32.2	34.8	29.7	33.6	26.1
Gearing Ratios					
Debt/Equity	0.0	0.0	0.0	0.0	0.0
Net Debt/Equity	-0.2	-0.3	-0.2	-0.2	-0.3
Net Debt/EBIDTA	-0.6	-0.8	-0.7	-0.7	-1.0
Int Coverage	127.0	84.9	99.7	240.1	320.9
WCC Days					
Debtors	20	18	19	19	19
Inventory	77	72	68	68	68
Creditors	50	54	46	46	46

Source: Company, YES sec

Recommendation Tracker



STANDARD DISCLAIMER:

YES Securities (India) Limited, Registered Address: 2nd Floor, North Side, YES BANK House, Off Western Express Highway, Santacruz East, Mumbai - 400055. Maharashtra, India | **Correspondence Add:** 7th Floor, Urmi Estate Tower A, Ganpatrao Kadam Marg, Opp. Peninsula Business Park, Lower Parel (West), Mumbai - 400 013, Maharashtra, India. | Website: www.yesinvest.in | Email: customer.service@ysil.in

Registration Nos.: CIN: U74992MH2013PLC240971 | SEBI Registration No.: NSE, BSE, MCX & NCDEX : INZ000185632 | Member Code: BSE - 6538, NSE - 14914, MCX - 56355 & NCDEX - 1289 | CDSL & NSDL: IN-DP-653-2021 | RESEARCH ANALYST: INH000002376 | INVESTMENT ADVISER: INA000007331 | Sponsor and Investment Manager to YSL Alternates Alpha Plus Fund (Cat III AIF) and YES Wealth Maximiser AIF (Cat III AIF) SEBI Registration No.: IN/AIF3/20- 21/0818 | AMFI ARN Code - 94338

Details of Compliance Officer: Aditya Goenka | Email: compliance@ysil.in / Contact No.: 022-65078127 | **Grievances Redressal Cell:** customer.service@ysil.in / igc@ysil.in

Standard Disclaimer: Investment in securities market are subject to market risks; read all the related documents carefully before investing. Above representation provides an overview related to our past performance neither does it provide any guarantee of future performance, nor we are ensuring any guaranteed returns. Actual Client returns may vary depending upon time premium, volatility Index, intrinsic value of the script, open interest, other geopolitical conditions and choice of the customer to execute the recommendation in full or part. All recommendations are published under Research Analyst License of YES Securities (India) Limited (YSIL); execution of the recommendation is at complete discretion of customer without any intervention by the research publisher.

Contents which are exclusively for Non-Broking Products/Services e.g. Mutual Fund, Mutual Fund-SIP, Research reports, Insurance, etc. where the YSIL is just a distributor. These are not Exchange traded product and the YSIL is just acting as distributor. Kindly note that all disputes with respect to the distribution activity, would not have access to Exchange investor redressal forum or Arbitration mechanism.

YSIL is a subsidiary of YES Bank Limited ('YBL'). Savings, Current, PIS and Demat Account are offered by YES Bank Limited. Please note Brokerage would not exceed the SEBI prescribed limit. YSIL also acts in the capacity of distributor for Products such as IPOs, Mutual Funds, Mutual Fund-SIPs, NCD/Bonds, etc., All disputes with respect to the distribution activity, would not have access to Exchange investor redressal forum or Arbitration mechanism.

Margin Trading Funding (MTF) is an exchange approved product offered to YSIL trading account holders, as per the regulation and guideline of SEBI Circular: CIR/MRD/DP/54/2017 dated June 13, 2017. For product specification, T&C, rights and obligations statement issued by the YSIL visit https://yesinvest.in/standard_documents_policies

DISCLAIMER

Investments in securities market are subject to market risks, read all the related documents carefully before investing.

The information and opinions in this report have been prepared by YSIL and are subject to change without any notice. The report and information contained herein are strictly confidential and meant solely for the intended recipient and may not be altered in any way, transmitted to, copied or redistributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of YSIL.

The information and opinions contained in the research report have been compiled or arrived at from sources believed to be reliable and have not been independently verified and no guarantee, representation of warranty, express or implied, is made as to their accuracy, completeness, authenticity or validity. No information or opinions expressed constitute an offer, or an invitation to make an offer, to buy or sell any securities or any derivative instruments related to such securities. Investments in securities are subject to market risk. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Investors should note that Price of each of the securities or value may rise or fall and, accordingly, investors may even receive amounts which are less than originally invested. The investor is advised to take into consideration all risk factors including their own financial condition, suitability to risk return profile and the like, and take independent professional and/or tax advice before investing. Opinions expressed are our current opinions as of the date appearing on this report. Investor should understand that statements regarding future prospects may not materialize and are of general nature which may not be specifically suitable to any particular investor. Past performance may not necessarily be an indicator of future performance. Actual results may differ materially from those set forth in projections. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. YES Securities (India) Limited conforms with the rules and regulations enumerated in the Securities and Exchange Board of India (Research Analysts) Regulations, 2014 as amended from time to time.

Technical analysis reports focus on studying the price movement and trading turnover charts of securities or its derivatives, as opposed to focussing on a company's fundamentals and opinions, as such, may not match with reports published on a company's fundamentals.

YSIL, its research analysts, directors, officers, employees and associates accept no liabilities for any loss or damage of any kind arising out of the use of this report. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject YSIL and associates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

YES Securities (India) Limited distributes research and engages in other approved or allowable activities with respect to U.S. Institutional Investors through Rule 15a-6 under the Securities Exchange Act of 1934 (the "Exchange Act")^[1] and regulations under an exclusive chaperone arrangement with Brasil Plural Securities LLC. The views and sentiments expressed in this research report and any findings thereof accurately reflect YES Securities (India) Limited analyst's truthful views about the subject securities and or issuers discussed herein. YES Securities (India) Limited is not registered as a broker-dealer under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and is not a member of the Securities Investor Protection Corporation ("SIPC"). Brasil Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC. For questions or additional information, please contact Gil Aikins (gil.aikins@brasilplural.com) or call +1 212 388 5600.

This research report is the product of YES Securities (India) Limited. YES Securities (India) Limited is the employer of the research analyst(s), the authors of this research report. YES Securities (India) Limited is the concerned representatives (employees) of YES Securities (India) Limited, are responsible for the content of this research report including but not limited to any material conflict of interest of YES Securities (India) Limited in relation to the issuer(s) or securities as listed in this research report. This YES Securities (India) Limited research report is distributed in the United States through Brasil Plural Securities LLC (BPS). The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and is/ are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account. As per SEC Rule 15a-6, the U.S. broker-dealer must accompany any third party research report it distributes with, or provide a web address that directs a recipient to, disclosure of any material conflict of interest that can reasonably be expected to have influenced the choice of a third-party research report provider or the subject company of a third-party research.

FINRA Rules 2241 and 2242, which govern the conduct of research analysts and the content of equity and debt research reports, respectively, apply to all research distributed by a FINRA member firm, including research prepared by a foreign broker-dealer under Rule 15a-6.

- Research reports prepared by a foreign broker-dealer and distributed by a U.S. broker-dealer are deemed to be third party research reports, as reports produced by a person other than a FINRA member.
- Prior to distributing any third party research, a U.S. broker-dealer must assure that such report contains the required disclosures under FINRA Rule 2241(h) or 2242(g)(3), as applicable.

This report is intended for distribution by YES Securities (India) Limited only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). As per Rule 15a-6(b)(4) of the Exchange Act, 1934, "Major U.S. institutional investor" means a U.S. institutional investor with assets, or assets under management, in excess of US\$100 million, or a registered investment adviser with assets under management in excess of US\$100 million. If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person or entity. Transactions in securities discussed in this research report should be effected through Brasil Plural Securities LLC (BPS) or another U.S. registered broker dealer/Entity as informed by YES Securities (India) Limited from time to time.

^[1] Rule 15a-6 under the Securities Exchange Act of 1934 provides conditional exemptions from broker-dealer registration for foreign broker-dealers that engage in certain specified activities involving U.S. investors. These activities include:

- (a) Effecting unsolicited securities transactions;
- (b) Providing research reports to major U.S. institutional investors, and effecting transactions in the subject securities with or for those investors;
- (c) Soliciting and effecting transactions with or for U.S. institutional investors or major U.S. institutional investors through a "chaperoning broker-dealer"; and
- (d) Soliciting and effecting transactions with or for registered broker-dealers, banks³ acting in a broker or dealer capacity, certain international organizations, foreign persons temporarily present in the U.S., U.S. citizens resident abroad, and foreign branches and agencies of U.S. persons.

In adopting Rule 15a-6, the SEC sought "to facilitate access to foreign markets by U.S. institutional investors through foreign broker-dealers and the research that they provide, consistent with maintaining the safeguards afforded by broker-dealer registration." [Rule 15a-6 Adopting Release at 54 FR 30013; see also Registration Requirements for Foreign Broker-Dealers, Exchange Act Release No. 25801 (June 14, 1988), 53 FR 23645 (June 23, 1988)].

DISCLOSURE OF INTEREST

Name of the Research Analyst : Udit Gajiwala, Shalin Damani

The analyst hereby certifies that opinion expressed in this research report accurately reflect his or her personal opinion about the subject securities and no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendation and opinion expressed in this research report.

Sr. No.	Particulars	Yes/No
1	Research Analyst or his/her relative's or YSIL's financial interest in the subject company(ies)	No
2	Research Analyst or his/her relative or YSIL's actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of the research report	No
3	Research Analyst or his/her relative or YSIL has any other material conflict of interest at the time of publication of the research report	No
4	Research Analyst has served as an officer, director or employee of the subject company(ies)	No
5	YSIL has received any compensation from the subject company in the past twelve months	No
6	YSIL has received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
7	YSIL has received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
8	YSIL has received any compensation or other benefits from the subject company or third party in connection with the research report	No
9	YSIL has managed or co-managed public offering of securities for the subject company in the past twelve months	No
10	Research Analyst or YSIL has been engaged in market making activity for the subject company(ies)	No

Since YSIL and its associates are engaged in various businesses in the financial services industry, they may have financial interest or may have received compensation for investment banking or merchant banking or brokerage services or for any other product or services of whatsoever nature from the subject company(ies) in the past twelve months or associates of YSIL may have managed or co-managed public offering of securities in the past twelve months of the subject company(ies) whose securities are discussed herein.

Associates of YSIL may have actual/beneficial ownership of 1% or more and/or other material conflict of interest in the securities discussed herein.

RECOMMENDATION PARAMETERS FOR FUNDAMENTAL REPORTS

Analysts assign ratings to the stocks according to the expected upside/downside relative to the current market price and the estimated target price. Depending on the expected returns, the recommendations are categorized as mentioned below. The performance horizon is 12 to 18 months unless specified and the target price is defined as the analysts' valuation for a stock. No benchmark is applicable to the ratings mentioned in this report.

BUY: Upside greater than 20% over 12 months

ADD: Upside between 10% to 20% over 12 months

NEUTRAL: Upside between 0% to 10% over 12 months

REDUCE: Downside between 0% to -10% over 12 months

SELL: Downside greater than -10% over 12 months

NOT RATED / UNDER REVIEW

Analyst signature

Analyst signature

ABOUT YES SECURITIES (INDIA) LIMITED

YES Securities (India) Limited ('YSIL') is a subsidiary of YES Bank Limited ('YBL'). YSIL is a Securities and Exchange Board of India (SEBI) registered Stock broker holding membership of National Stock Exchange (NSE), Bombay Stock Exchange (BSE), Multi Commodity Exchange (MCX) & National Commodity & Derivatives Exchange (NCDEX). YSIL is also a SEBI-registered Investment Adviser and Research Analyst. YSIL is also a Sponsor and Investment Manager of Alternate Investment Fund - Category III (YSL Alternates) and AMFI registered Mutual Fund Distributor. The Company is also a registered Depository Participant with CDSL and NSDL.