CEMENT Q3FY25 Result Preview

Equities | 6th Jan, 2025
Axis Securities Equity Research

CEMENT Q3FY25 RESULT PREVIEW: CEMENT DEMAND & PRICES IMPROVE SEQUENTIALLY

Cement Demand

Cement demand improves: After a subdued H1FY25, cement demand exhibited improvement in Q3FY25. The demand during H1FY25 was impacted by seasonality, prolonged rainfall, delays in budgetary allocations for infrastructure projects, and labour shortages. Historically, election years have been marked by a moderation in cement demand.

In Oct'24, cement demand began to pick up and remained strong through November and December 2024. Despite this improvement, delays in infrastructure fund allocation, extended monsoons, and region-specific challenges continued to weigh on both trade and non-trade segments. This was observed even as cement prices hit multi-quarter lows. Channel checks indicate that demand conditions have strengthened and are likely to remain robust, as Q4 is typically a strong period for cement consumption.

Cement demand to grow by 7% YoY: The overall demand for cement within the coverage universe in Q3FY25 is estimated to conclude on a higher note on a YoY basis, with an expected growth of 7%. A lower base in the previous year, which recorded 5% growth, has also contributed to the performance in Q3FY25. In FY24, the sector experienced robust demand growth, supported by higher institutional demand and sustained momentum in the housing and real estate sectors.

Looking ahead, the sector is expected to witness a strong recovery in Q4FY25 as construction activities gain pace. The recovery is likely to be driven by the resumption of infrastructure projects, improved weather conditions, and a rebound in both trade and non-trade demand.

Real estate demand is expected to remain robust: Robust real estate demand in FY24 has significantly driven increased cement consumption.

The projected growth in the real estate market, coupled with the government's significant housing initiatives such as the Pradhan Mantri Awas Yojana (PMAY), is expected to sustain a boost in cement demand. The program's plan to construct 3 Cr additional houses aims to address housing shortages in both rural and urban areas while promoting affordable housing across various income groups.

This large-scale construction initiative is anticipated to drive consistent demand for building materials, particularly cement, which is integral to housing infrastructure. As construction activities intensify to achieve these housing targets, cement manufacturers are likely to experience higher production and sales, thereby supporting sectoral growth. Moreover, the government's focus on infrastructure development, affordable housing, and urbanization will further reinforce this momentum, positioning the cement industry as a key beneficiary of these initiatives.

Rural demand: Channel checks indicate that rural demand marginally improved during the quarter, supported by an increase in construction activity. Urban and semi-urban demand also showed slight improvement. The government's earlier decision to increase the MSP on Kharif crops by 5-10% for the FY24-25 season is expected to further aid rural demand. Additionally, with the monsoon being above normal, a better harvest is likely to bolster rural demand further.

Overall cement demand in FY25 expected to be positive: Overall, cement demand is expected to grow in the range of 4%-6% in FY25, driven by the government's focus on infrastructure development and sustained real estate activity. Additionally, the higher budgetary allocation to infrastructure and construction in the 2024-25 budget is anticipated to boost cement demand momentum in H2FY25.

For companies under coverage, volume growth is expected to be around 7%, with flattish revenue growth. However, EBITDA and PAT are likely to decline by 20% and 50%, respectively, due to soft prices on a YoY basis. On a sequential basis, revenue,

Uttam Kumar Srimal |uttamkumar.srimal@axissecurities.in |

EBITDA, and PAT are expected to rebound sharply by 12%, 40%, and 36%, respectively. From a medium to long-term perspective, preferred picks in the sector are:

Large Cap positive plays are – UltraTech Cement; and Ambuja Cements Ltd.

Mid & Small cap positive plays are – Dalmia Bharat; JK Cement

Cement Pricing

Following subdued pricing trends in H2FY25, cement prices experienced an upward trend in Q3FY25 across regions. The industry has witnessed lower prices since Nov'23, as cement manufacturers refrained from implementing price hikes due to intensified competition and efforts to capture more market share. With new cement capacities being continually added by both large and medium-sized companies, pricing is expected to remain dynamic and volatile.

During the quarter, the overall pricing trend remained elevated, with the highest price increases observed in the North, followed by the West Central, East, and South regions. It is believed that cement prices have bottomed out; however, the South region is likely to experience intensified competition. This is attributed to the recent acquisitions of Orient Cement and Penna Cement by Ambuja Cements, as well as India Cement and Kesoram by UltraTech, with these players competing aggressively for market share gains.

Improvement in cement prices

The company implemented a price hike in Sep'24, and prices have generally been on an upward trajectory since, despite some rollbacks in certain regions due to heightened competitive intensity. In Dec'24, cement manufacturers attempted price increases of Rs 10–Rs 15 per bag across regions. This initiative met partial success, with exit prices for Q3 FY25 estimated to be 2–3% higher. The all-India average cement price for Q3FY25 is estimated at Rs 340 per bag. Realizations for coverage companies are projected to improve by 2–3% during the quarter compared to Q2 FY25, though on a year-over-year (YoY) basis, realizations are down by 6% for the coverage universe.

Input Cost

Both international petroleum coke and coal prices have seen a notable year-on-year (YoY) decrease, with petroleum coke prices dropping by 20% and coal prices by 15%. Currently, imported petroleum coke is trading at $105 per tonne, while South African coal prices are at $115 per tonne. These price reductions are crucial for the cement industry, which is highly sensitive to fuel and energy costs, as they constitute a significant portion of operating expenses.

For the cement sector, the operating cost per tonne is directly influenced by movements in the prices of petcoke and imported coal. Specifically, a $10 change in the price of either petroleum coke or imported coal results in a fluctuation of approximately Rs 30-40 per tonne in operating costs. Given the current reduction in fuel prices, this could provide some relief to the industry's cost structure, helping to partially offset the pressure from lower cement prices YoY. However, the extent of this cost-benefit will depend on the duration and stability of these lower fuel prices moving forward.

We expect fuel cost per tonne to be 9% lower during the quarter YoY: On a YoY basis, power and fuel costs are estimated to trend lower by 9% at Rs 1,120 per tonne for the coverage companies. Bulk diesel prices have previously been reduced by Rs 2 per litre, and the overall impact is expected to be neutral. On a QoQ basis, power and fuel costs are expected to remain flattish for the coverage universe.

EBITDA/tonne of coverage companies to decline: For Q3FY25, it is estimated that the EBITDA per tonne for the companies within coverage will see an upside of 24% QoQ, rising to Rs 765 tonne (Q2FY25, Rs 620/tonne). However, on a YoY basis, it is expected to be lower by 32% against Rs 1130/tonne. This sharp decrease is primarily driven by lower cement prices compared to the previous year, which has adversely affected profitability.

In percentage terms, EBITDA margins are expected to improve by 320 basis points QoQ but decline by 430 basis points YoY, reflecting the challenging operating environment and pricing pressures. However, on the cost side, the operating cost per tonne for the companies under coverage is estimated to decline by 1% YoY, reaching Rs 4,715 per tonne. This decline in costs provides some cushion, but it has not been sufficient to offset the overall impact of lower cement prices, contributing to the overall decline in profitability YoY.

Outlook

We remain positive on the dynamics of the Cement industry based on the following factors:

Government Initiatives: The government's focus on infrastructure development, increased spending on affordable housing, and a resurgence in private and commercial capital expenditure, along with strong real estate demand, are expected to bolster cement demand. However, a reduction in capital expenditure by the Central Government in FY25, driven by the general election and delays in fund allocation, has led to a decline in overall cement consumption. Looking ahead, FY26 is poised to witness higher government capital expenditure in infrastructure, creating favourable industry tailwinds and fostering growth in cement demand.

Greater Consolidation: The recent acquisition of Penna Cement and Orient Cement by Ambuja Cements and the acquisition of India Cement by UltraTech Cement indicate a trend toward higher consolidation within the cement industry. This increasing consolidation is expected to positively influence industry dynamics, leading to long-term structural improvements that enhance the overall competitiveness and efficiency of the industry.

Premiumization Product Strategy: Companies are increasingly focusing on premiumization and producing more blended cement varieties, which require less clinker and consume less power. This strategic shift aims to enhance efficiency and competitiveness within the industry.

Green Energy Transition: There is a significant transition towards green energy, aiming to increase the share from the current 35% to over 50% in the coming years. This transition, facilitated by initiatives such as waste heat recovery systems (WHRS) and the adoption of wind and solar energy, is likely to positively impact margins and enhance sustainability efforts.

Demand-Supply Dynamics: Despite capacity additions by various players, the demand for cement is expected to outpace supply. This indicates a favourable market environment for cement producers, potentially leading to improved pricing power and higher capacity utilization rates.

Favourable Industry Outlook: With higher demand, stable pricing, and ongoing cost optimization initiatives, the cement industry is poised for strong performance in the foreseeable future. Therefore, we maintain a positive outlook on the sector from a medium to long-term perspective.

TOP RESULT PICK

Our Top Positive Plays: UltraTech Cement; Ambuja Cement; Dalmia Bharat Limited; JK Cement

Quarterly Preview– Q3FY25

Cement

Year-end March (Rs Cr)	Q3FY25	Q2FY25	QoQ(%)	Q3FY24	YoY(%)	*Result expectations*
Dalmia Bharat						➔ Volume to grow YoY as demand improves.
Volume (mntpa)	7.21	6.70	8%	6.80	6%	➔ Consol revenue to de-grow owing to lower realization YoY.
Revenues	3421	3087	11%	3600	-5%	➔ Gross margins to be lower YoY but improves marginally QoQ
Gross Profit	1330	1199	11%	1,505	-12%	➔ Ebitda margin to contract YoY but improves QoQ backed by higher prices and stable cost
Gross margin (%)	38.9%	38.8%	10bp)	41.8%	(290bps)	
EBITDA	577	434	33%	775	-26%	➔ PAT to be lower owing to above attributes.
EBITDA margin (%)	16.9%	14.1%	280bps	21.5%	(460bps)	➔ EPS to be in line with PAT
PAT	147	46	219%	263	-44%	➔ EBITDA/tonne to be lower YoY but higher QoQ as cement prices improves
EPS (Rs)	7.82	2.45	219%	14.0	-44%	
EBITDA/Tonne	800	648	24%	1140	-30%	➔ Realization to be lower YoY owing to decline in Cement prices
Realization/tonne	4746	4607	3%	5294	-10%	➔ Cost/Tonne to be lower YoY.
Cost/Tonne	3946	3960	0%	4154	-5%	
J K Cements						➔ Volume to grow owing to improvement in demand
Volume (mntpa)	4.86	4.37	11%	4.71	3%	➔ Consol revenue to decline owing to lower realization.
Revenues	2907	2560	14%	2,935	-1%	➔ Gross margin to be lower YoY.but higher QoQ
Gross Profit	1195	1040	15%	1,284	-6.9%	➔ Ebitda margin to improve QoQ owing to positive operating leverage and better prices.
Gross margin (%)	41.1%	40.6%	50bps	43.8%	(270bps)	
EBITDA	479	284	68%	625	-23%	➔ PAT to expand QoQ owing to lower cost and better prices but lower YoY
EBITDA margin (%)	16.5%	11.1%	540bps	21.3%	(350bps)	
PAT	169	126	34%	283	-40%	➔ EPS to be in line with PAT
EPS (Rs)	22.0	16.4	34%	36.8	-40%	➔ EBITDA/tonne to be lower YoY but higher QoQ
EBITDA/Tonne	984	650	51%	1,329	-26%	➔ Realization to be lower YoY but higher QOQ
Realization/tonne	5,976	5,858	2%	6,238	-4%	➔ Cost/Tonne to be lower on easing of cost pressure QoQ
Cost/Tonne	4,992	5,208	-4%	4,909	2%	

Cement (Cont'd)

Year-end March (Rs Cr)	Q3FY25	Q2FY25	QoQ(%)	Q3FY24	YoY(%)	Result expectations
JK Lakshmi Cement Ltd						→ Volume to be flattishYoY but growth expected QoQ as demand improves. → Revenue to be lower owing to lower realization but higher QoQ → Gross margin to be higher owing to lower cost YoY. → Ebitda margin to contract YoY owing to lower realization but higher QoQ → PAT to be lower YoY owing to above attributes But higher QoQ → EPS to be in line with PAT → EBITDA/tonne to be lower YoY owing to lower realization → Realization to be lowerYoY. → Cost/Tonne to be lower YoY as cost pressure eases.
Volume (mntpa)	2.38	1.87	27%	2.36	1%	
Revenues	1484	1141	30%	1,586	-6%	
Gross Profit	426	319	33%	509	-16%	
Gross margin (%)	28.7%	28.0%	70bps	32.1%	(270bps)	
EBITDA	155	61	154%	242	-36%	
EBITDA margin (%)	10.5%	5.4%	510bps	15.3%	(480bps)	
PAT	62	8	726%	124	-50%	
EPS (Rs)	5.3	0.6	726%	10.5	-50%	
EBITDA/Tonne	654	329	99%	1,028	-36%	
Realization/tonne	6,239	6,117	2%	6,735	-7%	
Cost/Tonne	5,585	5,788	-4%	5,706	-2%	
Birla Corporation Ltd						→ Volume to grow YoY owing to improved demand → Revenue to de-grow owing to lower realization YoY. → → Gross margins to be lower YoY owing to lower realization → → Ebitda margin to contractYoY owing to lower realization. → PAT to be lower on YoY but higher QoQ. → EPS to be in line with PAT → EBITDA/tonne to be lower YoY impacted by lower realization.. → Blended realization to be lower YoY but higher QoQ. → Cost/Tonne to be lower YoY owing to easing cost pressure.
Volume (mntpa)	4.41	3.97	11%	4.20	5%	
Revenues	2216	1953	13%	2,312	-4%	
Gross Profit	876	765	15%	967	-9%	
Gross margin (%)	39.6%	39.2%	40bps	41.8%	(220bps)	
EBITDA	267	177	51%	379	-29%	
EBITDA margin (%)	12.1%	9.1%	300bps	16.4%	(410bps)	
PAT	46	-25	NA	109	-58%	
EPS (Rs)	6.0	-3.3	NA	14.2	-58%	
EBITDA/Tonne	605	446	36%	901	-33%	
Realization/tonne	5,024	4,918	2%	5,505	-9%	
Cost/Tonne	4,419	4,472	-1%	4,604	-4%	

Cement (Cont'd)

Year-end March (Rs Cr)	Q3FY25	Q2FY25	QoQ(%)	Q3FY24	YoY(%)	Result expectations
Heidelberg Cement India Ltd						→ Volume to grow owing to improved demand → Revenue to de-grow owing to lower realization YoY. → Gross margins to be lower YoY & QoQ owing to higher cost and lower realization → Ebitda margin to contractYoY owing to lower realization and negative operating leverage. → PAT to be lower YoY owing to lower realization → EPS to be in line with PAT → EBITDA/tonne to be lower YoY & QoQ. → Realization to be lower YoY but higher QoQ as cement prices improves → Cost/Tonne to be flattish YoY and higher QoQ
Volume (mntpa)	1.23	0.98	25%	1.21	2%	
Revenues	592	461	28%	607	-2%	
Gross Profit	197	175	12%	218	-10%	
Gross margin (%)	33.2%	37.9%	(470bps)	36.0%	(280bps)	
EBITDA	39	37	5%	65	-40%	
EBITDA margin (%)	6.6%	8.1%	(150bps)	10.8%	(420bps)	
PAT	14	11	24%	31	-56%	
EPS (Rs)	0.6	0.5	24%	1.4	-56%	
EBITDA/Tonne	319	381	-16%	542	-41%	
Realization/tonne	4,806	4,689	2%	5,026	-4%	
Cost/Tonne	4,488	4,308	4%	4,484	0%	
Star Cement Ltd						→ Volume to grow owing to new capacity ramp up.. → Revenue to grow YoY basis due to higher volume → Gross margin to be lower owing to higher clinker purchase YoY & QoQ as new clinker plant stabilaization was delayed → Ebitda margin to contract YoY owing to plant shutdown and higher operating expenses.. → PAT to be lower owing to higher depriciation and operating expenses → EPS to be in line with PAT. → EBITDA/tonne to be lower YoY on the back of above attributes → Realization to be higher QoQ & flattish YoY → Cost/Tonne to be higher YoY.
Volume (mntpa)	1.07	0.98	9%	0.97	10%	
Revenues	757	642	18%	651	16%	
Gross Profit	257	261	-1%	283	-9%	
Gross margin (%)	33.9%	40.7%	(680bps	43.4%	(950bps)	
EBITDA	93	96	-3%	149	-38%	
EBITDA margin (%)	12.2%	14.9%	(270bps)	22.8%	(1060bps)	
PAT	4	6	-28%	74	-94%	
EPS (Rs)	0.1	0.1	-28%	1.8	-94%	
EBITDA/Tonne	869	977	-11%	1534	-43%	
Realization/tonne	6,724	6,560	2%	6,716	0%	
Cost/Tonne	5,855	5,583	5%	5,182	13%	

Cement (Cont'd)

Year-end March (Rs Cr)	Q3FY25	Q2FY25	QoQ(%)	Q3FY24	YoY(%)	Result expectations
ACC Limited						➔ Volume to grow YoY driven improvement in demand and higher sale under MSA . ➔ Revenue to be lower owing to lower realization. ➔ Gross margin to contract YoY but improves QoQ owing to lower cost. ➔ Ebitda margin to contract on YoY but higher QoQ owing to better price and operating leverage benefit ➔ PAT to be lowerYoY owing to lower margin but higher QoQ ➔ EPS to be in line with PAT ➔ EBITDA/tonne to be lower on YoY basis. ➔ Blended realization to be lower YoY but higher QoQ. ➔ Cost/Tonne to lower as cost pressure eases.
Volume (mntpa)	9.79	9.30	5%	8.90	10%	
Revenues	4981	4614	8%	4914	1%	
Gross Profit	1365	1107	23%	1602	-15%	
Gross margin (%)	27.4%	24.0%	340bps	32.6%	(520bps)	
EBITDA	604	436	39%	905	-33%	
EBITDA margin (%)	12.1%	9.5%	260bps	18.4%	(630bps)	
PAT	307	200	54%	538	-43%	
EPS (Rs)	17.0	10.6	60%	28.6	-41%	
EBITDA/Tonne	617	469	32%	1017	-39%	
Realization/tonne	5,088	4,961	3%	5,522	-8%	
Cost/Tonne	4,471	4,492	0%	4,505	-1%	
Shree Cement Limited						➔ Volume growth to be subdued owing to higher competetive intensity YoY ➔ Revenue to be lower YoY owing to lower realization but higher QoQ ➔ Gross margin to be lower YoY but higher QoQ ➔ Ebitda margin to contract YoY owing to lower realization . ➔ PAT to be lowerYoY due to lower realization and higher depriciation but improves QoQ ➔ EPS to be in line with PAT ➔ EBITDA/tonne to be lower on YoY owing to lower realization. ➔ Realization to be lower YoY but higher QoQ ➔ Cost/Tonne to be flattish QoQ.
Volume (mntpa)	9.16	7.60	20%	8.89	3%	
Revenues	4612	3727	24%	4901	-6%	
Gross Profit	1892	1424	33%	2250	-16%	
Gross margin (%)	41%	38%	300bps	46%	(500bps)	
EBITDA	838	593	41%	1234	-32%	
EBITDA margin (%)	18.2%	15.9%	230bps	25.2%	(700bps)	
PAT	210	93	125%	734	-71%	
EPS (Rs)	58	26	125%	204	-71%	
EBITDA/Tonne	915	780	17%	1388	-34%	
Realization/tonne	5,036	4,904	3%	5,513	-9%	
Cost/Tonne	4,121	4,124	0%	4,125	0%	

Cement (Cont'd)

Year-end March (Rs Cr)	Q3FY25	Q2FY25	QoQ(%)	Q3FY24	YoY(%)	Result expectations
Ambuja Cement Limited						➔ Volume to grow YoY backed by higher sales as demand improves & gain in market share ➔ Revenue to be marginally higher due to higher volume and better Cement prices QoQ. ➔ Gross margin to be lower YoY but higher QoQ . ➔ Ebitda margin to be lower YoY but higher QoQ as volume and price increases. ➔ PAT to be lower YoY but higher QoQ as cement prices improves QoQ.. ➔ EPS to be lower owing to above attributes and increase in number of shares post conversion of warrants. ➔ EBITDA/tonne to be lower on YoY but higher QoQ as volume and price improves QoQ ➔ Realization to be lower YoY but higher QoQ as Cement prices improves. ➔ Cost/Tonne to be flattish YoY.
Volume (mntpa)	15.51	14.20	9%	14.10	10%	
Revenues	8415	7516	12%	8129	4%	
Gross Profit	2862	2453	17%	3154	-9%	
Gross margin (%)	34.0%	32.6%	160bps	38.8%	(480bps)	
EBITDA	1399	1111	26%	1732	-19%	
EBITDA margin (%)	16.6%	14.8%	190bps	21.3%	(470bps)	
PAT	605	456	33%	823	-26%	
EPS (Rs)	2.46	1.85	33%	3.99	-38%	
EBITDA/Tonne	902	783	15%	1228	-27%	
Realization/tonne	5,425	5,293	2%	5,765	-6%	
Cost/Tonne	4,524	4,510	0%	4,537	0%	
UltraTech Cement Limited						➔ Volume to grow YoY basis as demand improves and gain in market share ➔ Revenue to be flattish YoY due to lower realization.. ➔ Gross margin to be higher QoQ but lower YoY ➔ Ebitda margin to contract YoY owing to lower realization but improves QoQ ➔ PAT to be lower owing to lower realization and higher depriciationYoY but higher QoQ. ➔ EPS to be in line with PAT ➔ EBITDA/tonne to be lower YoY on the back of lower realization ➔ Realization to be lower YoY but higher QoQ ➔ Cost/Tonne to be lower YoY & QoQ
Volume (mntpa)	29.76	27.84	7%	27.32	9%	
Revenues	17075	15635	9%	16740	2%	
Gross Profit	6211	5297	17%	6286	-1%	
Gross margin (%)	36.4%	33.9%	250bps	37.5%	(110bps)	
EBITDA	2907	2018	44%	3255	-11%	
EBITDA margin (%)	17.0%	12.9%	410bps	19.4%	(240bps)	
PAT	1413	820	72%	1777	-20%	
EPS (Rs)	48.94	28.41	72%	61.56	-20%	
EBITDA/Tonne	977	725	35%	1191	-18%	
Realization/tonne	5,738	5,616	2%	6,127	-6%	
Cost/Tonne	4761	4891	-3%	4936	-4%	

Axis Securities Limited is a subsidiary company of Axis Bank Ltd. Axis Bank Ltd. is a listed public company and one of India's largest private sector banks and has its various subsidiaries engaged in businesses of Asset management, NBFC, Merchant Banking, Trusteeship, Venture Capital, Stock Broking, the details in respect of which are available on www.axisbank.com.

Axis Securities Limited, is registered as a Stock Broker, Depository Participant, Portfolio Manager, Investment Adviser and Research Analyst with Securities and Exchange Board of India
Corporate Agent with Insurance Regulatory and Development Authority of India Point of Presence with Pension Fund Regulatory and Development Authority Distributor for Mutual Funds with AMFI

Registration Details:

SEBI Single Reg. No.- NSE, BSE,MSEI, MCX & NCDEX – INZ000161633 | SEBI Depository Participant Reg. No. IN-DP-403-2019 | Portfolio Manager Reg. No.- INP000000654 | Investment Advisor Reg No. INA000000615 | SEBI-Research Analyst Reg. No. INH000000297 | IRDA Corporate Agent (Composite) Reg. No. CA0073| PFRDA – POP Reg. No. POP387122023 | Mutual Fund Distributor ARN- 64610.

Compliance Officer Details: Name – Mr. Maneesh Mathew, Tel No. – 022-68555574, Email id – compliance.officer@axisdirect.in.;

Registered Office Address – Axis Securities Limited, Unit No.002, Building- A, Agastya Corporate Park, Piramal Realty, Kamani Junction, Kurla (W), Mumbai – 400070.

Administrative office address: Aurum Q Parć, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane – Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710.

In case of any grievances please call us at 022-40508080 or write to us helpdesk@axisdirect.in.

We hereby declare that our activities were neither suspended nor we have defaulted with any stock exchange authority with whom we are registered in last five years. However, SEBI, Exchanges, Clearing Corporations and Depositories etc. have conducted the routine inspection and based on their observations have issued advise/warning/show cause notices/deficiency letters/ or levied penalty or imposed charges for certain deviations observed in inspections or in normal course of business, as a Stock Broker / Depository Participant/Portfolio Manager. We have not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point of time.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.
By referring to any particular sector, Axis Securities does not provide any promise or assurance of favourable view for a particular industry or sector or business group in any manner.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors. Our research should not be considered as an advertisement or advice, professional or otherwise. This research report and its respective content by Axis Securities made available on this page or otherwise do not constitute an offer to sell or purchase or subscribe for any securities or solicitation of any investments or investment services for the residents of Canada and / or USA or any jurisdiction where such an offer or solicitation would be illegal.

Subject company(ies) may have been client during twelve months preceding the date of distribution of the research report. Derivatives are a sophisticated investment device. The investor is requested to take into consideration all the risk factors before actually trading in derivative contracts.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment of its original date of publication by ASL and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments.

The information and opinions in this report have been prepared by Axis Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of Axis Securities. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite, investment objective or the particular circumstances of an individual investor. The investor is requested to take into consideration all the risk factors including their financial condition, suitability to risk return profile and the like and take professional advice before investing.

While we would endeavour to update the information herein on a reasonable basis, Axis Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Axis Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or Axis Securities policies, in circumstances where Axis Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained in good faith from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Axis Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Axis Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Axis Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months. Axis Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction. Axis Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months. Axis Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. Axis Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither Axis Securities nor Research Analysts and / or their relatives have any material conflict of interest at the time of publication of this report. Please note that Axis Securities has a proprietary trading desk. This desk maintains an arm's length distance with the Research team and all its activities are segregated from Research activities. The proprietary desk operates independently, potentially leading to investment decisions that may deviate from research views.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

Research Analyst may have served as an officer, director or employee of subject company(ies). Axis Securities or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report. Since associates of Axis Securities and Axis Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report. Axis Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Certain transactions -including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Reports based on technical analysis centres on studying charts of a stock'sprice movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

We and our affiliates/associates, officers, directors, and employees, Research Analyst(including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of Research Report or at the time of public appearance. Axis Securities may have proprietary long/short position in the above mentioned scrip(s) and therefore may be considered as interested. This should not be construed as invitation or solicitation to do business with Axis Securities. Axis Securities is also a Portfolio Manager. Portfolio Management Team (PMS) takes its investment decisions independent of the PCG research and accordingly PMS may have positions contrary to the PCG research recommendation.