

India

Neutral (no change)

Highlighted Companies

UltraTech Cement

ADD, TP Rs12900, Rs11192 close

Industry-leading capacity addition (via both organic/inorganic routes) is likely to lead to market share gains. Currently, Ultratech Cement has ~27% share in cement capacity in India. It is operating at >75% utilization level across most markets (except the eastern region) and is well placed to benefit from the improvement in pricing. The company targets cost savings of Rs200-300/t in the medium term.

Pidilite Industries

ADD, TP Rs3470, Rs2849 close

Pidilite Industries is expected to continue posting strong volume growth (9-10%) in the near term aided by strong execution in rural and semi-urban markets. Market leadership in most categories which it operates in and softening raw material prices provide comfort on the margin front. We maintain our high-conviction ADD rating on the stock.

Summary Valuation Metrics

P/E (x)	Mar25-F	Mar26-F	Mar27-F
UltraTech Cement	52.4	38.2	29.1
Pidilite Industries	67.3	56.3	47.9

P/BV (x)	Mar25-F	Mar26-F	Mar27-F
UltraTech Cement	5.0	4.6	4.1
Pidilite Industries	15.0	12.9	11.2

Dividend Yield	Mar25-F	Mar26-F	Mar27-F
UltraTech Cement	0.5%	0.7%	0.0%
Pidilite Industries	0.6%	0.7%	0.9%

Construction and Materials

Cement and paints 4QFY25 results preview

- We expect the avg. EBITDA/t for our cement coverage universe to improve by ~Rs180-190 qoq on a ~2.5% qoq price hike and positive operating leverage.
- Cement volume may improve by ~8% yoy in 4Q vs. ~2% in 9M. Paint demand is under pressure & we feel APNT will continue its underperformance vs. peers.
- We remain constructive on cement majors like Ultratech Cement and retain our negative stance on paint majors like Asian Paints or APNT.

Cement volume growth poised to accelerate in 4QFY25F

Cement demand continued to show a rebound in 4QFY25, after showing early green shoots in Dec 2024. The qoq monthly improvement in demand has made a strong case for price hike in most regions during the quarter (except South India). Improvement in trade demand across major cities and strong rural consumption hogged the limelight during the quarter. However, government capex failed to pick up pace and is now expected to miss the fiscal year's target. We expect industry demand to grow by ~8% yoy in 4QFY25F. UTCEM/ACEM/JKCE to post industry-leading growth in double digits while TRCL/DALBHARA to clock ~4-5% growth due to regional constraints, and SRCM to focus on realization-to-cost growth. Overall industry realization to post another quarter of improvement on the back of stable price environment.

EBITDA/t to improve further sequentially; fuel costs savings at peak

We expect aggregate cost/t to decline by ~2% qoq/yoy, with savings in variable costs and positive operating leverage. However, the increase in fuel costs indicates that energy savings have peaked and are expected to reverse their trend from 1QFY26F. We expect profitability to improve by Rs170-200/t qoq for our coverage companies, with both cost reduction and sustained price hikes during the quarter. SRCM, JKCE and UTCEM are expected to post EBITDA/t of >Rs1,000 each.

Paint players are likely to continue reeling from weak demand

We expect our paint pack (ex-PIDI) to decline by 0.5% yoy (down 3.7% qoq) owing to sustained weakness in the overall demand for decorative paints. Our channel check also points towards sustained weakness. Margin pressure is likely to sustain owing to elevated competitive intensity, with the latest entrant already having a mid-to-high single-digit market share in the very first year of its operations. We retain our negative stance on paint majors APNT (REDUCE) and KNPL (REDUCE) while maintaining our HOLD rating on BRGR and continue to prefer PIDI (expected to post 7.9% yoy growth) over the paint pack.

We remain selective; prefer cement players & PIDI but avoid paints

We foresee a recovery in demand led by an uptick in government capex, growth in housing construction and policy-led support for affordable housing. Top picks: UTCEM and BCORP. Paint majors, on the other hand, continue to grapple with weak demand and aggressive scale-up by the new competitor, Birla Opus. We retain our negative stance on paint players. We have a REDUCE rating on APNT and KNPL & a HOLD rating on BRGR.

Research Analyst(s)



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

Rohan KALLE
 T (91) 22 4161 1561
 E rohan.kalle@incredresearch.com

Saurabh SINGH
 T (91) 2241611558
 E saurabh.singh@incredresearch.com

Figure 1: 4QFY25F earnings summary of our cement coverage universe

Company	Revenue (Rs m)	% chg (yoy)	% chg (qoq)	EBITDA (Rs m)	% chg (yoy)	% chg (qoq)	PAT (Rs m)	% chg (yoy)	% chg (qoq)
UTCHEM - consol.	2,36,638	16%	38%	45,079	-18%	32%	24,630	9%	68%
SRCM	53,740	-1%	18%	13,467	-29%	47%	5,663	-16%	192%
ACC - consol.	59,496	10%	12%	7,751	-30%	45%	4,586	-51%	-58%
ACEM	1,00,100	13%	19%	15,453	0%	25%	7,870	-48%	-63%
TRCL	26,332	-2%	33%	4,352	-21%	1%	1,297	7%	-60%
JKCE – consol.	34,081	10%	16%	6,811	-27%	62%	3,488	59%	84%
BCORP	26,465	0%	17%	4,043	-30%	50%	1,395	28%	347%
HEIM	6,025	1%	11%	615	-9%	60%	252	-48%	386%
DALBHARA - consol.	43,350	1%	36%	8,275	-26%	33%	3,110	-3%	371%
JKLC – consol.	17,671	-1%	18%	2,967	-36%	116%	1,560	-1%	163%
Total	6,03,898	9%	26%	1,08,813	-22%	36%	53,852	-17%	-3%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: Incred's cement coverage valuation matrix

Company	Bloomberg Ticker	Rating	Closing Price (Rs)	Target Price (Rs)	% Upside	Market cap. (US\$ m)	EV/EBITDA (x)			P/BV (x)			RoE (%)			P/E (x)			EV/T (US\$)		
							FY24	FY25F	FY26F	FY24	FY25F	FY26F	FY24	FY25F	FY26F	FY24	FY25F	FY26F	FY24	FY25F	FY26F
UltraTech Cement	UTCEM IN	ADD	11,192	12,900	15%	38,344	25.9	27.3	21.2	5.5	5.1	4.7	12.4%	9.9%	12.5%	46.4	53.8	39.3	270.4	225.0	212.0
ACC	ACC IN	ADD	1,929	2,400	24%	4,212	11.2	14.6	10.6	2.3	2.1	1.9	14.1%	7.6%	10.1%	15.8	28.6	20.0	107.9	102.2	94.9
Ambuja Cements	ACEM IN	ADD	525	630	20%	15,041	28.5	34.0	26.7	2.8	2.4	2.3	7.2%	5.6%	6.4%	44.3	45.7	36.9	171.2	174.5	200.2
Shree Cement	SRCM IN	HOLD	29,752	27,600	-7%	12,481	23.2	28.3	22.7	5.3	5.1	4.8	12.2%	4.4%	6.9%	45.4	118.1	71.7	219.7	201.9	178.4
The Ramco Cements	TRCL IN	HOLD	921	900	-2%	2,531	17.4	19.8	16.1	3.1	3.0	2.9	5.7%	2.6%	5.6%	56.4	117.3	53.5	138.9	132.2	119.9
JK Cement	JKCE IN	HOLD	4,799	4,900	2%	4,312	20.6	22.3	18.5	7.1	6.5	5.8	15.8%	12.6%	15.1%	48.1	54.0	40.4	205.1	191.2	155.8
Birla Corporation	BCORP IN	ADD	1,090	1,455	33%	976	8.0	10.7	8.4	1.3	1.2	1.2	6.5%	2.5%	5.2%	20.5	50.0	23.2	67.6	65.7	57.8
HeidelbergCement	HEIM IN	HOLD	186	166	-11%	490	12.4	10.0	8.6	3.0	2.9	2.8	11.4%	14.9%	16.9%	25.9	19.6	16.7	73.8	72.9	71.0
Dalmia Bharat	DALBHARA IN	ADD	1,786	2,000	12%	3,895	13.3	15.0	12.1	2.1	2.1	2.0	5.2%	4.0%	5.7%	42.1	52.2	35.5	92.5	88.5	78.6
JK Lakshmi Cement	JKLCL IN	ADD	785	672	-14%	1,074	10.3	13.9	10.3	2.9	2.7	2.4	15.5%	8.0%	12.1%	20.1	35.2	21.3	77.6	75.0	67.5
Mean							17.1	19.6	15.5	3.5	3.3	3.1	10.6%	7.2%	9.6%	36.5	57.5	35.9	142.5	132.9	123.6
Median							15.4	17.4	14.1	2.9	2.8	2.6	11.8%	6.6%	8.5%	43.2	51.1	36.2	123.4	117.2	107.4
Minimum							8.0	10.0	8.4	1.3	1.2	1.2	5.2%	2.5%	5.2%	15.8	19.6	16.7	67.6	65.7	57.8
Maximum							28.5	34.0	26.7	7.1	6.5	5.8	15.8%	14.9%	16.9%	56.4	118.1	71.7	270.4	225.0	212.0

SOURCE: INCRED RESEARCH, COMPANY REPORTS
NOTE: BLOOMBERG. PRICES AS ON 07TH APR 2025

Figure 3: Incred's paint coverage valuation matrix

Company Name	Bloomberg Ticker	Recom.	Market Price Rs/share	Target Price Rs/share	Revenue		EPS		P/E (x)			
					CAGR FY24-27F	CAGR FY24-27F	FY24F	FY25F	FY26F	FY27F		
Asian Paints	APNT IN	REDUCE	2,347	2,230	2.9%	-3.2%	41	52	49	45		
Berger Paints India	BRGR IN	HOLD	516	505	6.7%	4.7%	50	49	46	44		
Kansai Nerolac Paints	KNPL IN	REDUCE	236	235	6.0%	4.9%	28	29	26	24		
Pidilite Industries	PIDI IN	ADD	2,851	3,470	11.7%	19.2%	82	68	57	48		

SOURCE: INCRED RESEARCH, COMPANY REPORTS, BLOOMBERG.
NOTE: PRICES AS ON 7TH APR 2025

Cement and paints 4QFY25 results preview

India cement sector - 4QFY25 results preview

Key assumptions for our coverage companies ►

We expect industry volume to grow by ~8-9% on a yoy basis in 4QFY25F.

Region-wise north, west and central regions had a better demand environment during the quarter.

Figure 4: We expect aggregate sales volume for our coverage universe to increase by ~12% yoy and ~23% qoq, with demand remaining strong across quarters

Volumes (in mt)	4QFY25F	3QFY25	4QFY24	yoy (%)	qoq (%)
UTCEM - consol.	41.0	30.4	35.1	16.9%	35.0%
SRCM	10.0	8.8	9.5	4.5%	13.6%
ACC - consol.	11.8	10.7	10.4	13.5%	10.3%
ACEM – consol	19.0	16.5	16.6	14.5%	15.2%
TRCL	5.8	4.4	5.5	5.3%	32.3%
JKCE	5.8	4.9	5.2	10.6%	18.3%
BCORP	5.2	4.5	4.9	6.8%	15.1%
HEIM	1.3	1.1	1.2	1.4%	9.3%
DALBHARA - consol	9.0	6.7	8.8	1.5%	33.6%
JKLC - consol.	3.5	3.0	3.3	7.0%	15.2%
Coverage Total	112.2	91.0	100.5	11.6%	23.3%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 5: We expect the average blended realization to improve by ~2.3% qoq and remain lower by ~3% yoy for our coverage universe

Realization/t (in Rs)	4QFY25F	3QFY25	4QFY24	yoy (%)	qoq (%)
UTCEM - consol.	5,698	5,588	5,721	-0.4%	2.0%
SRCM	5,396	5,214	5,664	-4.7%	3.5%
ACC - consol.	4,740	4,652	4,919	-3.6%	1.9%
ACEM – consol.	5,268	5,100	5,358	-1.7%	3.3%
TRCL	4,556	4,523	4,869	-6.4%	0.7%
JKCE	4,972	4,809	4,928	0.9%	3.4%
BCORP	4,905	4,790	5,213	-5.9%	2.4%
HEIM	4,820	4,745	4,838	-0.4%	1.6%
DALBHARA - consol	4,844	4,748	4,883	-0.8%	2.0%
JKLC - consol.	5,063	4,940	5,459	-7.3%	2.5%
Coverage Average	5,026	4,911	5,185	-3.1%	2.3%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 6: We expect the average cost/t to decline by 2.6% qoq and ~2% yoy for our coverage universe, with savings from variable costs

Cost/t (in Rs)	4QFY25F	3QFY25	4QFY24	yoy (%)	qoq (%)
UTCEM - consol.	4,672	4,711	4,648	0.5%	-0.8%
SRCM	4,044	4,114	4,173	-3.1%	-1.7%
ACC - consol.	4,385	4,497	4,396	-0.2%	-2.5%
ACEM – consol.	4,455	4,616	4,335	2.8%	-3.5%
TRCL	3,803	3,884	4,109	-7.4%	-2.1%
JKCE	4,734	5,006	4,887	-3.1%	-5.4%
BCORP	4,329	4,464	4,499	-3.8%	-3.0%
HEIM	4,328	4,454	4,117	5.1%	-2.8%
DALBHARA - consol	3,919	3,985	4,142	-5.4%	-1.7%
JKLC - consol.	4,213	4,274	4,428	-4.9%	-1.4%
Coverage Average	4,288	4,400	4,373	-1.9%	-2.6%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 7: We expect the average EBITDA/t to improve by Rs200/t qoq and decline by Rs89/t yoy for our coverage universe in 4QFY25F

EBITDA/t (in Rs)	4QFY25F	3QFY25	4QFY24	yoy (%)	qoq (%)
UTCEM - consol.	1,099	951	1,173	-6.2%	15.7%
SRCM	1,352	1,100	1,491	-9.3%	22.9%
ACC - consol.	657	448	805	-18.4%	46.8%
ACEM – consol.	813	484	1,023	-20.5%	68.0%
TRCL	753	639	760	-0.9%	17.7%
JKCE - consol	1,182	1,011	1,075	10.0%	17.0%
BCORP	780	551	974	-19.9%	41.7%
HEIM	492	291	721	-31.7%	69.2%
DALBHARA - consol	925	763	741	24.7%	21.2%
JKLC - consol.	850	666	1,032	-17.6%	27.7%
Coverage Average	890	690	979	-9.1%	29.0%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Energy costs: Fuel prices have now begun to change their path, with domestic and international pet-coke costs rising. We believe energy costs savings have peaked in 4QFY25F.

We expect cement companies to post a second sequential quarter of improvement in terms of both absolute EBITDA and EBITDA/t in 4QFY25F, with improved demand, prices and the benefits of cost savings.

4QFY25F estimates for our cement coverage

Figure 8: UltraTech Cement (consolidated)

	4QFY25F	3QFY25	QoQ (%)	4QFY24	YoY (%)
Net Sales (Rs m)	2,36,638	1,71,933	37.6%	2,04,189	15.9%
EBITDA (Rs m)	45,079	28,871	56.1%	41,139	9.6%
EBIT (Rs m)	35,626	19,704	80.8%	32,990	8.0%
PAT (Rs m)	24,630	14,695	67.6%	22,581	9.1%
EPS (Rs)	85.3	50.9	67.6%	78.2	9.1%
EBITDA Margin (%)	19.0%	16.8%	226bp	20.1%	-110bp

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 9: Shree Cement

	4QFY25F	3QFY25	QoQ (%)	4QFY24	YoY (%)
Net Sales (Rs m)	53,740	45,727	17.5%	54,010	-0.5%
EBITDA (Rs m)	13,467	9,648	39.6%	14,218	-5.3%
EBIT (Rs m)	6,373	1,657	284.7%	7,195	-11.4%
PAT (Rs m)	5,663	1,937	192.3%	6,757	-16.2%
EPS (Rs)	157.0	53.7	192.3%	187.1	-16.1%
EBITDA Margin (%)	25.1%	21.1%	396bp	26.3%	-127bp

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 10: ACC (consolidated)

	4QFY25F	3QFY25	QoQ (%)	4QFY24	YoY (%)
Net Sales (Rs m)	59,496	52,905	12.5%	54,087	10.0%
EBITDA (Rs m)	7,751	4,789	61.9%	8,368	-7.4%
EBIT (Rs m)	5,284	2,193	141.0%	6,018	-12.2%
PAT (Rs m)	4,586	10,915	-58.0%	9,441	-51.4%
EPS (Rs)	24.4	58.1	-58.0%	50.3	-51.5%
EBITDA Margin (%)	13.0%	9.1%	398bp	15.5%	-244bp

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 11: Ambuja Cements (consolidated)

	4QFY25F	3QFY25	QoQ (%)	4QFY24	YoY (%)
Net Sales (Rs m)	1,00,100	84,153	18.9%	88,940	12.5%
EBITDA (Rs m)	15,453	7,986	93.5%	16,987	-9.0%
EBIT (Rs m)	8,204	1,346	509.4%	12,456	-34.1%
PAT (Rs m)	7,870	21,157	-62.8%	15,258	-48.4%
EPS (Rs)	4.0	8.6	-53.9%	5.3	-25.4%
EBITDA Margin (%)	15.4%	9.5%	595bp	19.1%	-366bp

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 12: Dalmia Bharat (consolidated)

	4QFY25F	3QFY25	QoQ (%)	4QFY24	YoY (%)
Net Sales (Rs m)	43,350	31,810	36.3%	43,070	0.6%
EBITDA (Rs m)	8,275	5,110	61.9%	6,540	26.5%
EBIT (Rs m)	4,766	1,470	224.2%	3,260	46.2%
PAT (Rs m)	3,110	660	371.2%	3,200	-2.8%
EPS (Rs)	16.6	3.3	409.8%	16.9	-1.3%
EBITDA Margin (%)	19.1%	16.1%	303bp	15.2%	391bp

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 13: The Ramco Cements

	4QFY25F	3QFY25	QoQ (%)	4QFY24	YoY (%)
Net Sales (Rs m)	26,332	19,766	33.2%	26,733	-1.5%
EBITDA (Rs m)	4,352	2,794	55.7%	4,171	4.3%
EBIT (Rs m)	2,635	1,056	149.5%	2,520	4.6%
PAT (Rs m)	1,297	3,253	-60.1%	1,214	6.9%
EPS (Rs)	5.5	13.8	-60.1%	5.1	6.9%
EBITDA Margin (%)	16.5%	14.1%	239bp	15.6%	92bp

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 14: JK Cement

	4QFY25F	3QFY25	QoQ (%)	4QFY24	YoY (%)
Net Sales (Rs m)	34,081	29,303	16.3%	31,058	9.7%
EBITDA (Rs m)	6,811	4,921	38.4%	5,599	21.6%
EBIT (Rs m)	5,250	3,465	51.5%	4,069	29.0%
PAT (Rs m)	3,488	1,892	84.4%	2,197	58.8%
EPS (Rs)	45.1	24.5	84.4%	28.4	58.8%
EBITDA Margin (%)	20.0%	16.8%	319bp	18.0%	196bp

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 15: Birla Corporation

	4QFY25F	3QFY25	QoQ (%)	4QFY24	YoY (%)
Net Sales (Rs m)	26,465	22,567	17.3%	26,544	-0.3%
EBITDA (Rs m)	4,043	2,479	63.1%	4,724	-14.4%
EBIT (Rs m)	2,531	1,089	132.5%	3,227	-21.6%
PAT (Rs m)	1,395	312	347.3%	1,933	27.8%
EPS (Rs)	18.1	4.1	347.3%	25.1	27.8%
EBITDA Margin (%)	15.3%	11.0%	429bp	17.8%	-252bp

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 16: JK Lakshmi Cement (consolidated)

	4QFY25F	3QFY25	QoQ (%)	4QFY24	YoY (%)
Net Sales (Rs m)	17,671	14,968	18.1%	17,809	-0.8%
EBITDA (Rs m)	2,967	2,018	47.1%	3,365	-11.8%
EBIT (Rs m)	1,871	893	109.6%	2,503	-25.2%
PAT (Rs m)	1,560	594	162.6%	1,570	-0.7%
EPS (Rs)	13.3	5.0	162.6%	13.3	-0.7%
EBITDA Margin (%)	16.8%	13.5%	331bp	18.9%	-211bp

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 17: HeidelbergCement India

	4QFY25F	3QFY25	QoQ (%)	4QFY24	YoY (%)
Net Sales (Rs m)	6,025	5,428	11.0%	5,966	1.0%
EBITDA (Rs m)	615	333	84.8%	889	-30.8%
EBIT (Rs m)	335	53	527.6%	606	-44.6%
PAT (Rs m)	252	52	385.8%	482	-47.7%
EPS (Rs)	1.1	0.2	385.8%	2.1	-47.7%
EBITDA Margin (%)	10.2%	6.1%	408bp	14.9%	-469bp

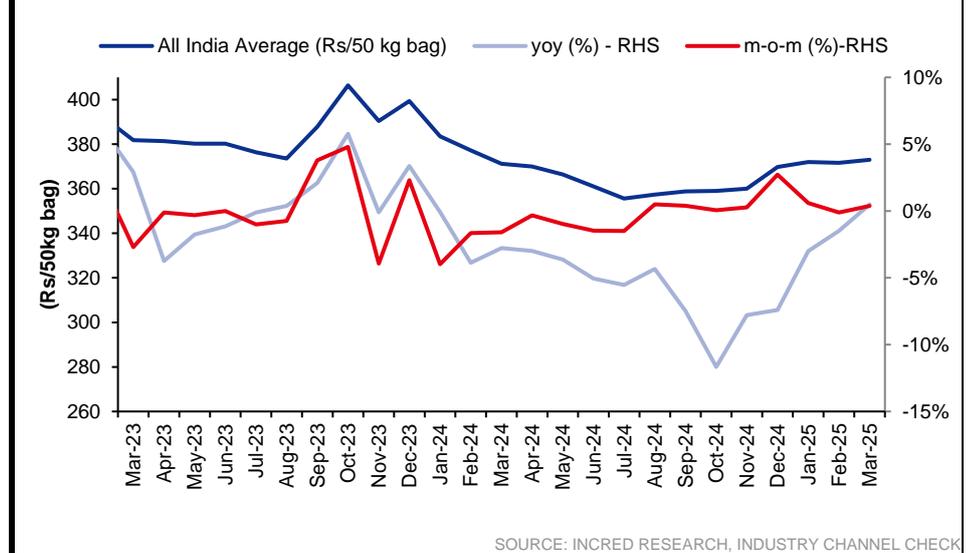
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Cement prices ➤

Our interactions with cement dealers indicate a rebound in demand which sustained the price hikes in most regions. Strong rural demand was witnessed when compared with last year.

- Our channel check with dealers and industry experts indicates that pan-India cement prices were flat-to-marginally lower mom in Mar 2025. Spot avg. pan-India price was up by ~3%/~4% vs. 3Q/2Q avg. levels, and flat on a yoy basis. For 4QFY25, region-wise market prices indicate that the northern, followed by western and central regions, have seen the highest improvement. The eastern region remained subdued but showed an improvement in Mar 2025, while the southern region witnessed the highest price decline due to intense competition between industry majors and comparatively softer demand. Our recent interaction with dealers indicated that a steep price hike of ~Rs15-40/bag is expected by mid-Apr 2025F across regions (to be the highest in South India). The focus on volume during Mar 2025 to meet annual targets led to increased competition and higher discount on sales. Price hike of >Rs15/bag in the month of April has been successful only two times during the last five-to-six years, as per dealers.
- From a demand perspective, 4Q saw substantial recovery with the revival of construction activity and lesser disruption from the winter season and festivals (easy labour availability) in key regions. Our interaction with dealers highlighted that demand was better from mid-Feb to Mar 2025 in most regions (except southern states), with stronger rural demand over the last one year. However, government capex is expected to remain below spending estimates, which normally picks up significantly in the last quarter of a fiscal year.

Figure 18: All-India cement average price was up by ~4%/~3% vs. 2Q/3Q levels in Mar 2025



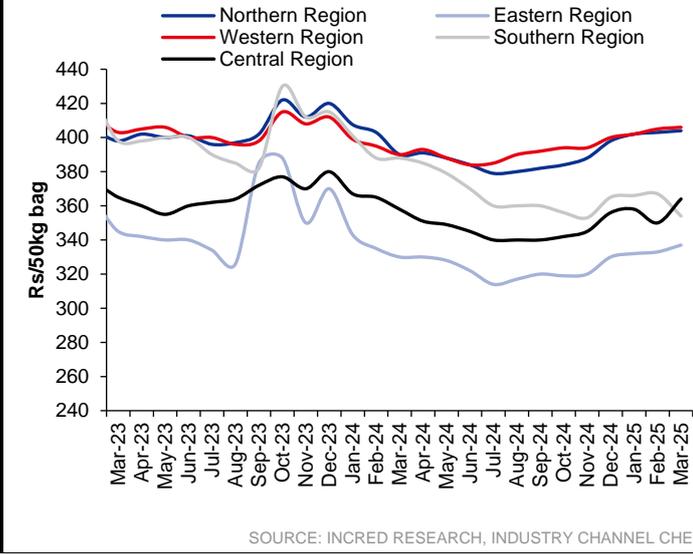
Region-wise pricing trend:

- **East:** The year-end demand across markets supported a price hike of Rs5-12/bag in West Bengal, Bihar, and Chhattisgarh. The average price is now Rs335/bag, with a price hike of Rs5-10/bag expected in Apr 2025F.
- **South:** Market remains highly competitive. Stagnant demand has led to a decline in prices by Rs7-10/bag in Mar 2025. Channels expect a steep hike of Rs30-40/bag in Apr 2025F, but its absorption depends on demand and the discipline among players.
- **North:** No price hike taken in most pockets in Mar 2025. Prices in Punjab, New Delhi, Jammu & Kashmir, and Rajasthan stood at Rs390/bag, Rs370/bag, Rs400/bag, and Rs370/bag, respectively. A price hike of Rs5-15/bag across markets is expected in Apr 2025F.
- **West:** The region remains better-placed on the demand side, with strong demand from infrastructure projects. Prices in Gujarat remained stable mom. Mumbai reported a price decline of Rs4-5/bag mom for meeting year-end volume targets. Dealers remain optimistic on the back of successful absorption of a Rs10-15/bag price hike likely in Apr 2025F.
- **Central:** Post-Kumbh festival, the region witnessed a net price hike of Rs10/bag in Uttar Pradesh. Year-end promotional schemes and improved demand give guidance of a better quarter. Channels expect a price hike of ~Rs10-20/bag in most markets, with strong demand supporting the case for absorption.
- **Players disciplining themselves to decide South India price direction next financial year:** Most markets expect a price hike of Rs10-40/bag in Apr 2025F, in line with yearly seasonal hikes. The steepest hike (Rs30-40/bag) is expected in the South India market; however, dealers believe the successful pass-on will be a mixed bag amid a scenario of demand and mutual understanding among players on pricing discipline in the backdrop of rising competition.
- **Andhra Pradesh ends the year on a low note:** Our interaction with dealers in Andhra Pradesh highlighted that there has been no significant progress on the demand side, which was expected to boom post formation of a new government in the state. We observed that March was a better month for recovery in trade demand, while non-trade demand was relatively stable.
- **Year-end discount schemes in place:** Commentaries from dealers and experts highlighted that, across pockets, there have been some additional price discounts offered by companies to achieve their year-end volume targets, which are common in the last month of a financial year, as per dealers. It has

also been observed there was increased volatility in strategies adopted by cement players in respect of pricing in some regions.

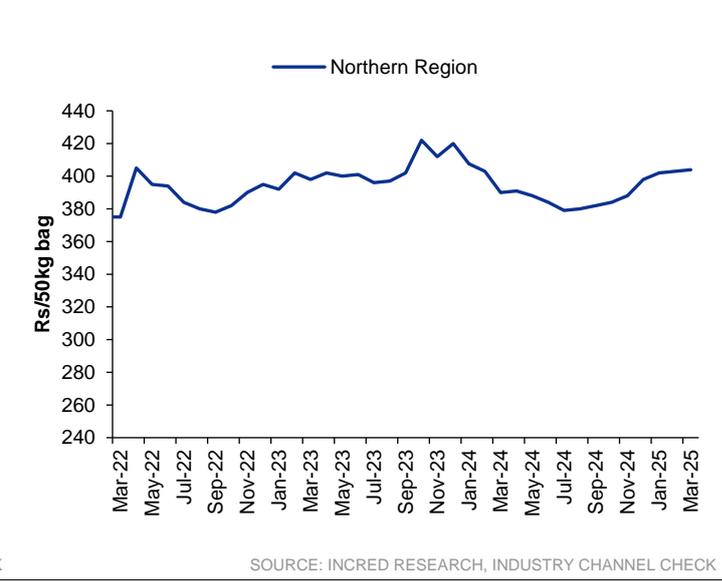
- Better recovery in demand and stable prices should contribute to another quarter of improvement for the cement industry in most markets (except South India).

Figure 19: Except South India, most regions' pricing position improved in 4QFY25



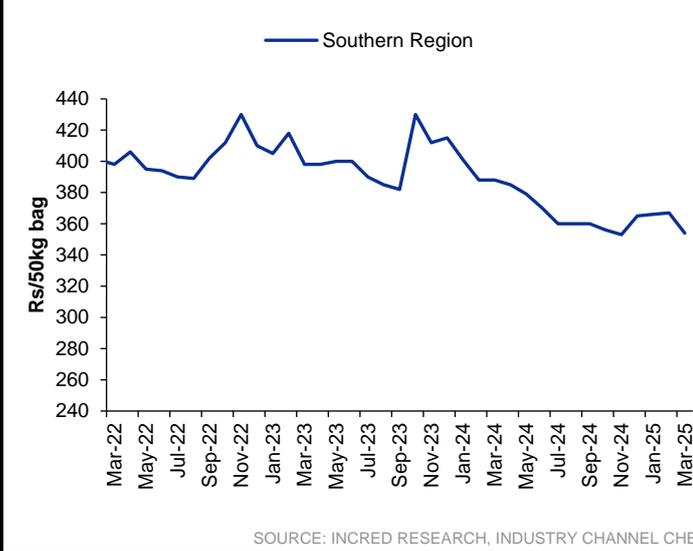
SOURCE: INCRED RESEARCH, INDUSTRY CHANNEL CHECK

Figure 20: North India cement price trend



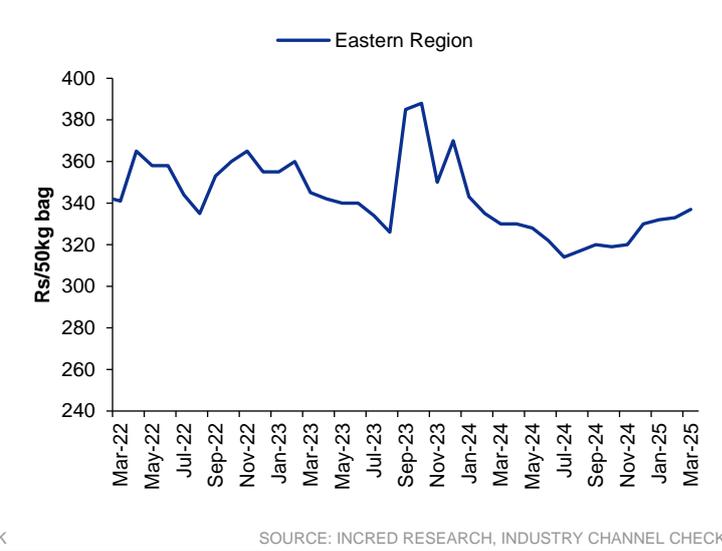
SOURCE: INCRED RESEARCH, INDUSTRY CHANNEL CHECK

Figure 21: Southern region's cement price trend



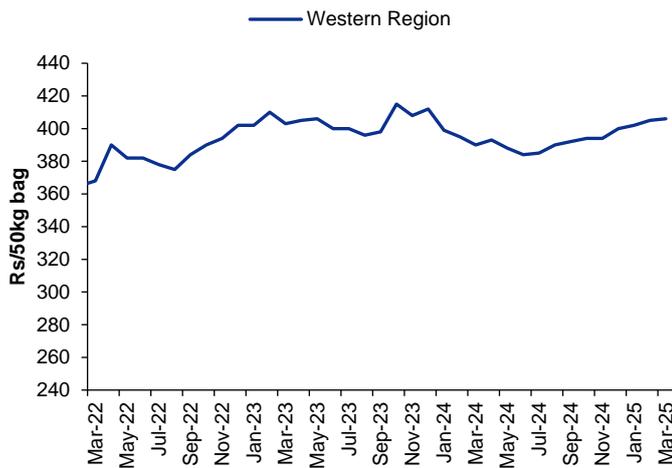
SOURCE: INCRED RESEARCH, INDUSTRY CHANNEL CHECK

Figure 22: Eastern region's cement price trend



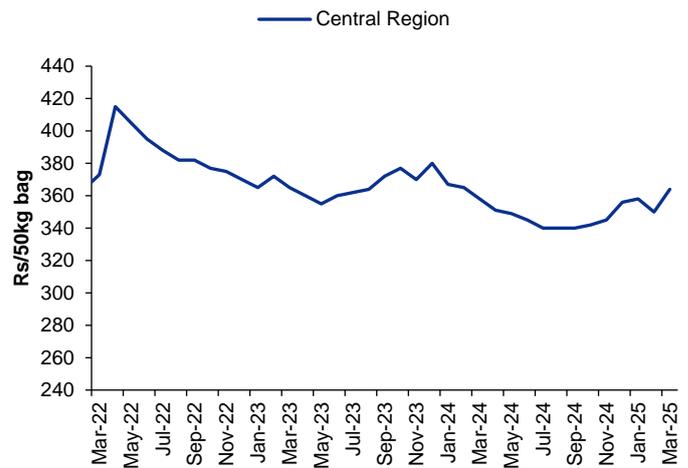
SOURCE: INCRED RESEARCH, INDUSTRY CHANNEL CHECK

Figure 23: Western region's cement price trend



SOURCE: INCRED RESEARCH, INDUSTRY CHANNEL CHECK

Figure 24: Central region's cement price trend

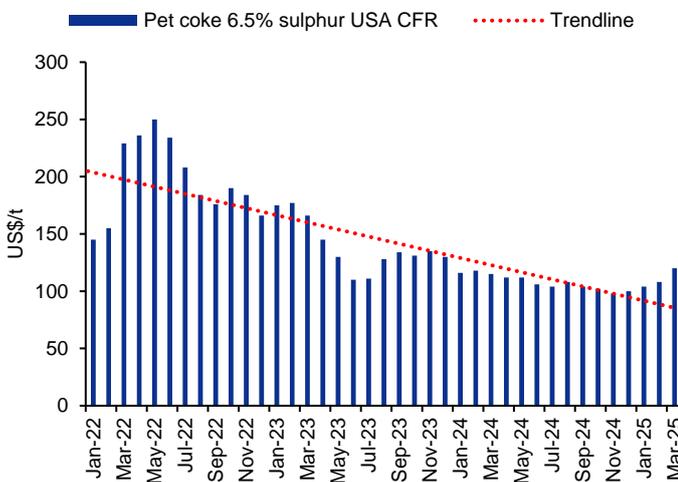


SOURCE: INCRED RESEARCH, INDUSTRY CHANNEL CHECK

Major input costs trend ▶

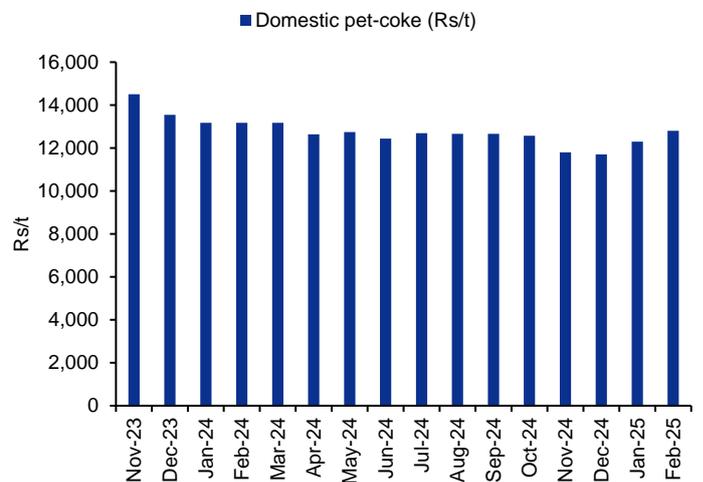
- Fuel prices' changing tide; hikes necessary to pass on cost inflation:** The cost environment, after remaining beneficial for the industry for the past few years, has started to change the tide following a rise in both domestic and imported pet-coke prices. Brent crude oil prices are now at US\$69/bbl. The Indian rupee or INR depreciation and the levy of additional state taxes on mining to impact the cost profile of companies. Sustainable price hikes are crucial in FY26F for protecting margin.

Figure 25: International pet-coke prices up by ~20% vs. Dec 2024 exit prices



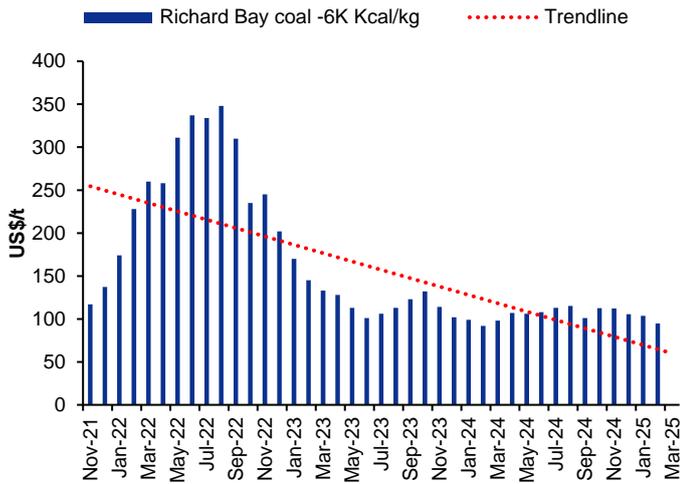
NOTE: CFR = CODE OF FEDERAL REGULATIONS
 SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 26: Domestic pet-coke prices up by ~9% vs. Dec 2024 exit prices



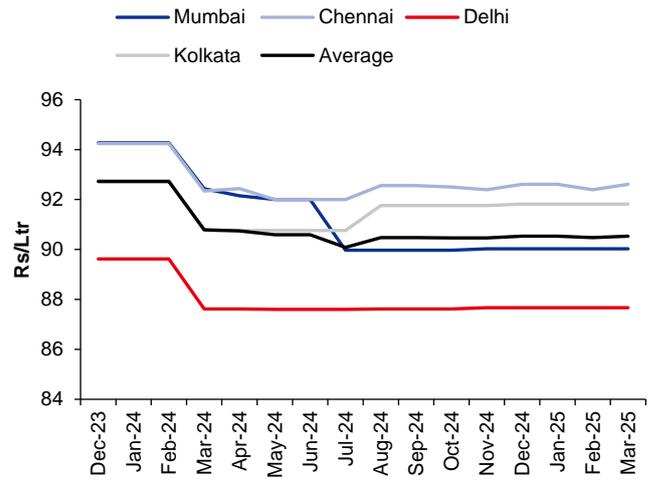
SOURCE: INCRED RESEARCH, BLOOMBERG

Figure 27: Imported coal price (South African 6k/kcal) trend



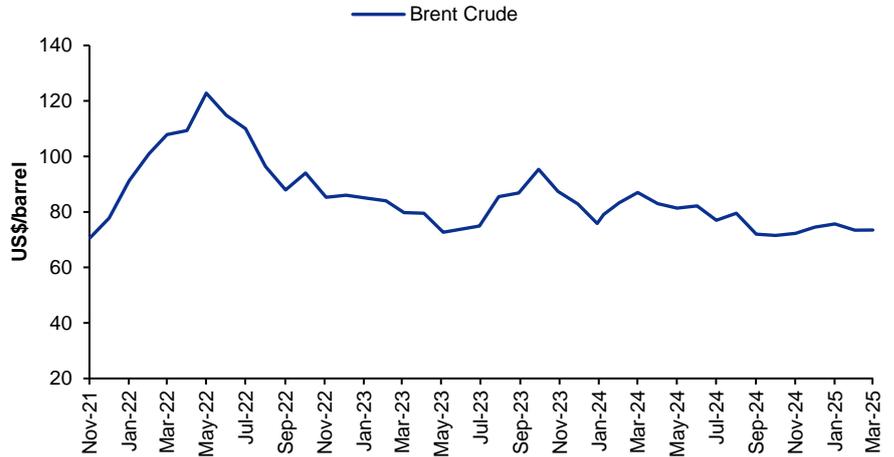
SOURCE: INCRED RESEARCH, BLOOMBERG

Figure 28: Average diesel price trend in top metro cities



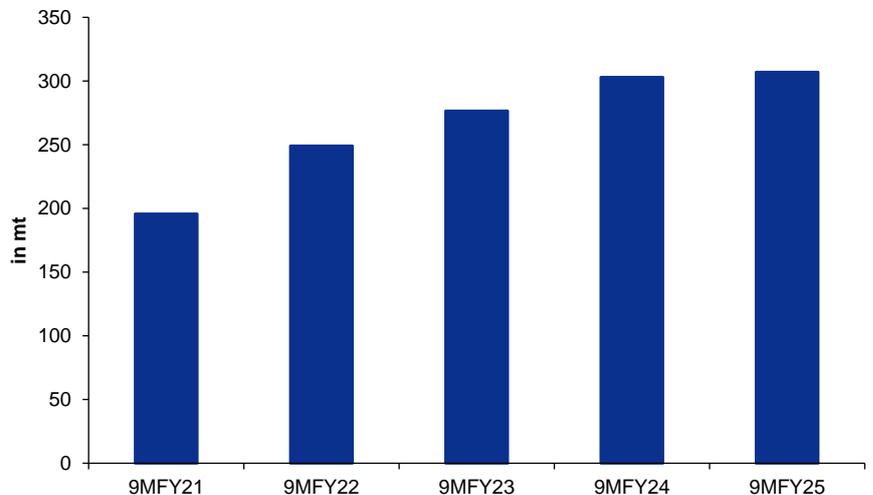
SOURCE: INCRED RESEARCH, BLOOMBERG

Figure 29: Crude oil price trend



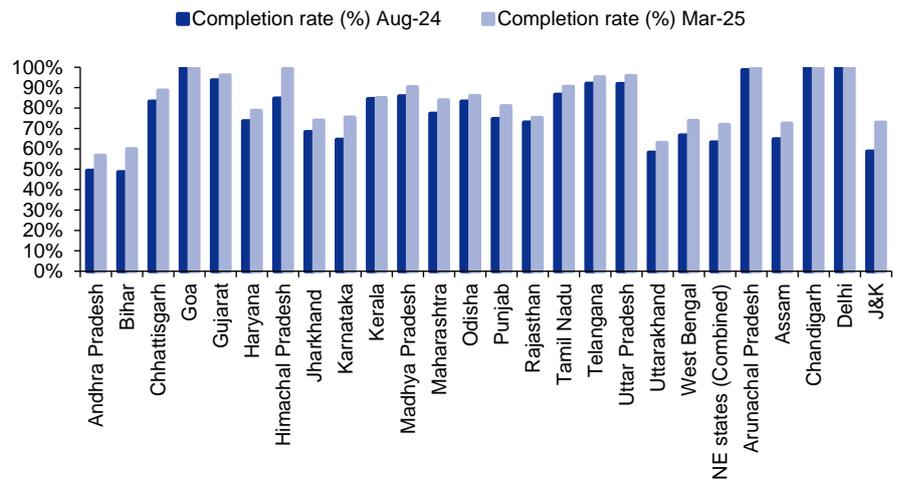
SOURCE: INCRED RESEARCH, BLOOMBERG

Figure 30: Cement production up by ~1% yoy in 9MFY25



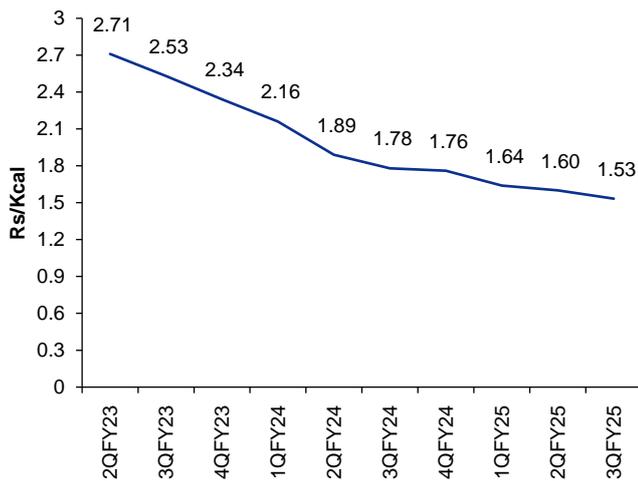
SOURCE: INCRED RESEARCH, CMIE, MOSPI

Figure 31: Limited progress in PMAY urban projects post-general elections; states with pending works show minimal improvement



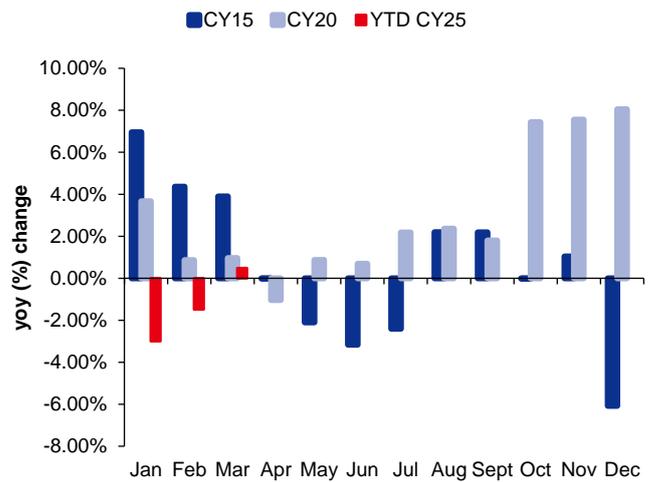
SOURCE: INCRED RESEARCH, GOI

Figure 32: Average energy cost continues to decline



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 33: Pan-India cement price yoy change post general election years



SOURCE: INCRED RESEARCH, INDUSTRY CHANNEL CHECK

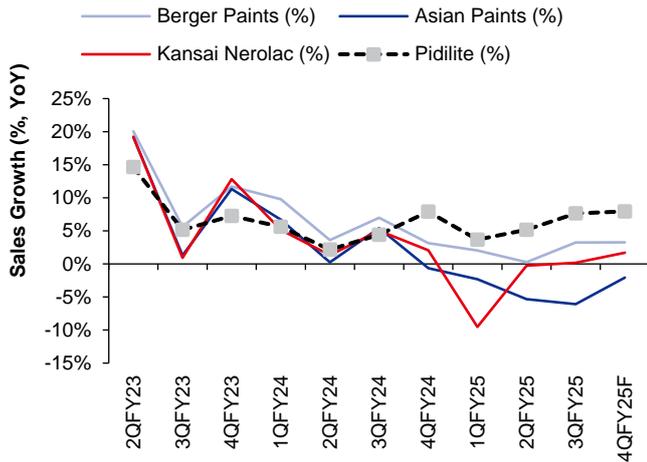
4QFY25F estimates for our paint coverage universe

Figure 34: We expect aggregate paint pack (ex-PIDI) to decline 0.5% yoy in 4QFY25F

Company	Revenue (Rs m)	% chg (yoy)	EBITDA (Rs m)	% chg (yoy)	Net Profit (Rs m)	% chg (yoy)
Asian Paints	85,501	-2.1%	15,432	-8.8%	10,684	-15.0%
Berger Paints	26,027	3.3%	3,755	7.0%	2,159	-2.8%
Kansai Nerolac Paints	17,994	1.7%	1,985	10.9%	1,298	11.9%
Pidilite Industries	31,321	7.9%	6,522	13.0%	4,475	48.9%
Total	1,60,843	1.0%	27,694	-1.0%	18,617	-1.8%

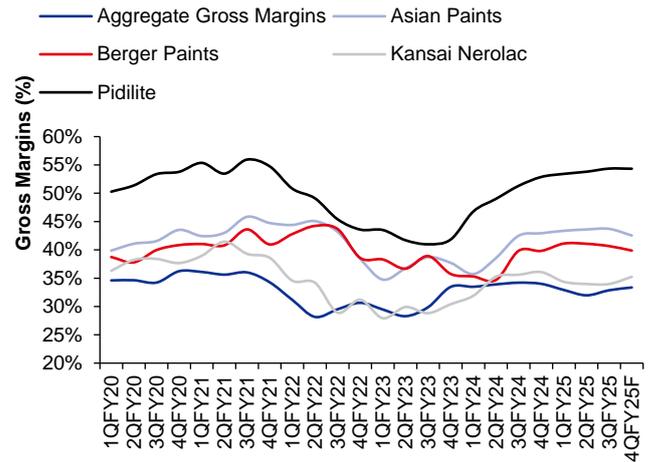
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 35: Sales growth for paint players continues to remain under pressure; Pidilite Industries continues to outpace



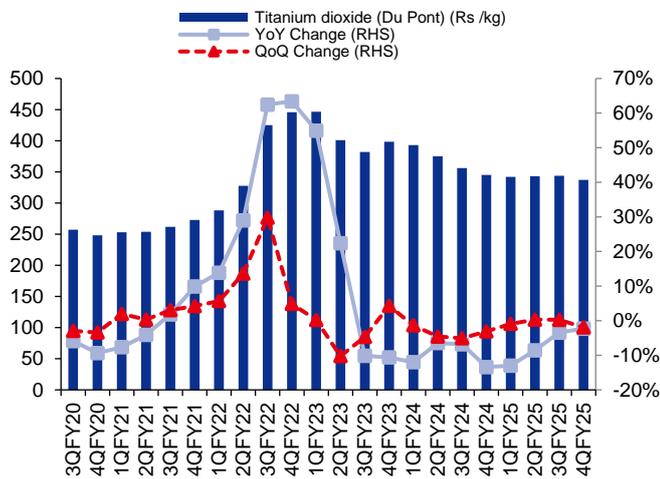
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 36: Pricing pressure remains for paint players owing to elevated competitive intensity



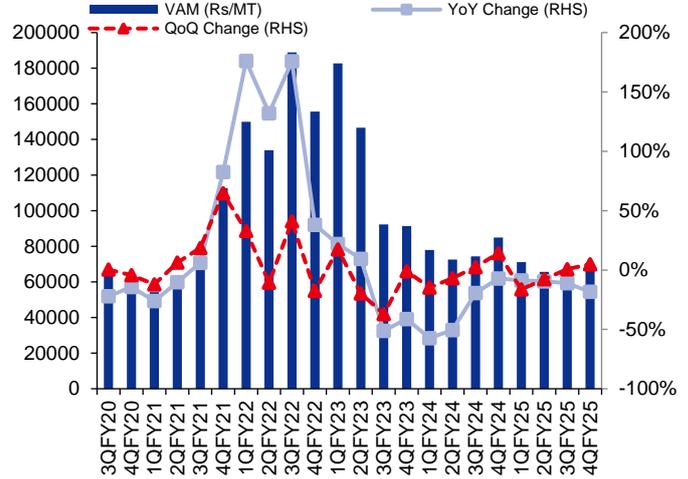
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 37: Titanium dioxide (Tio2) prices down 2% yoy in 4QFY25



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 38: Vinyl acetate monomer (VAM) prices decline 18% yoy in 4QFY25



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 39: Key raw material prices are trending lower on a yoy basis

% YoY Change	Companies impacted	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	Jan/25	Feb/25	Mar/25
TiO2, Solvents & other paints related													
Titanium dioxide (Du Pont) (Rs /kg)	Asian Paints, Berger Paints, and Kansai Nerolac Paints	-10.6%	-12.0%	-6.5%	-6.8%	-13.4%	-13.0%	-8.6%	-3.4%	-2.3%	-3.5%	-1.0%	-2.2%
Acetic acid glacial price Rs/KG	Asian Paints, Berger Paints and Kansai Nerolac Paint	-38.6%	-26.6%	-13.9%	14.7%	-4.0%	1.6%	-2.5%	-17.7%	4.0%	7.9%	3.0%	1.2%
Brent crude oil (INR/bbl)	All companies	-8.0%	-25.9%	-9.3%	-5.3%	0.6%	10.8%	-7.2%	-9.3%	-4.5%	2.6%	-3.5%	-12.0%
VAM (US\$/mt)	Pidilite Industries	-46.3%	-59.9%	-52.2%	-20.4%	-8.0%	-10.1%	-10.7%	-12.3%	-21.7%	-22.2%	-22.2%	-20.8%
VAM (Rs/mt)	Pidilite Industries	-41.3%	-57.3%	-50.5%	-19.4%	-7.1%	-8.8%	-9.5%	-11.1%	-18.3%	-19.2%	-18.4%	-17.5%
China titanium dioxide (Rs/kg)	Asian Paints, Berger Paints, and Kansai Nerolac Paints	-30.2%	-28.2%	-23.6%	-6.2%	2.5%	0.4%	3.1%	6.6%	7.1%	8.5%	7.4%	5.5%

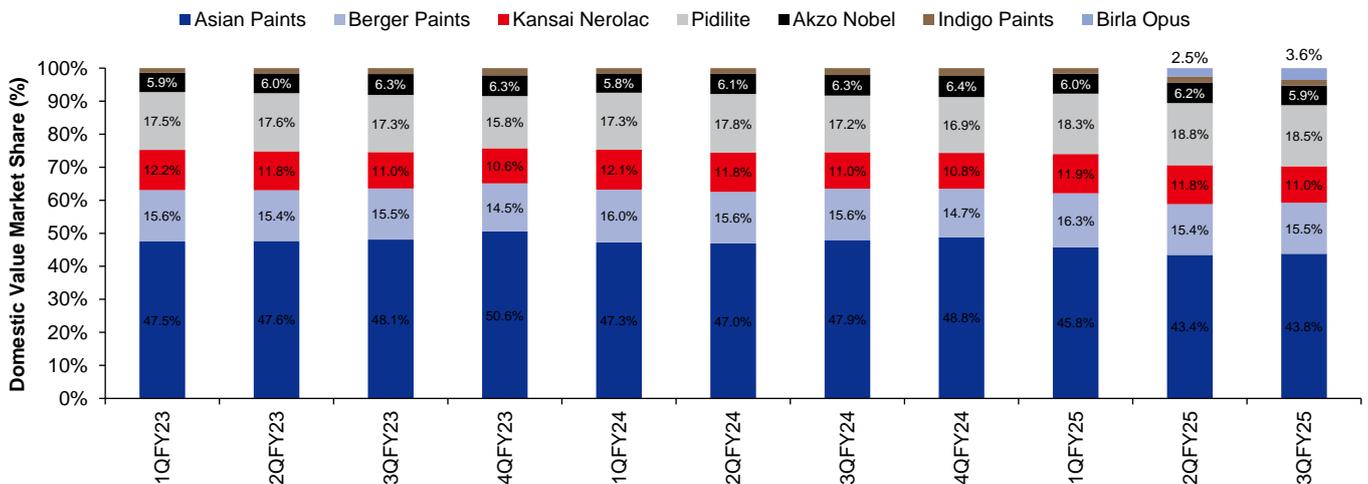
SOURCE: INCRED RESEARCH, COMPANY REPORTS, BLOOMBERG

Paints sector channel check highlights

Highlights from our interaction with paint dealers >

- **Volume growth continues to remain weak:** Our interactions with dealers point towards flattish volume growth for most companies. Only a handful of companies reported marginal growth. Demand in rural markets has remained buoyant; however, urban markets are expected to remain under pressure. The waterproofing category fared better than decorative paints for most companies.
- **Competitive intensity is stepping up in the project business:** While demand has been relatively stable for dealers who supply to projects, the overall competitive intensity has increased. Some dealers stated that Birla Opus products are being accepted by some projects in urban markets.
- **Birla Opus schemes remain in effect and products are now available across markets:** All previously introduced Birla Opus schemes remain active, and dealers anticipate new/modification to schemes from Apr 2025F. The feedback from channels was that this year, incumbents are offering attractive schemes to dealers, mostly influenced by the entry of Birla Opus. Birla Opus products are now easily available in most cities and rural areas.
- No price hikes have been taken by any player so far.
- Some dealers have reported Birla Opus' sales volume at 15-20% of their total volume, with many reporting an erosion in Asian Paints' share.
- Experts believe that it will take ~six-to-eight months for Birla Opus to stabilize its operations in B2B categories if the company ventures out in the coming financial year.

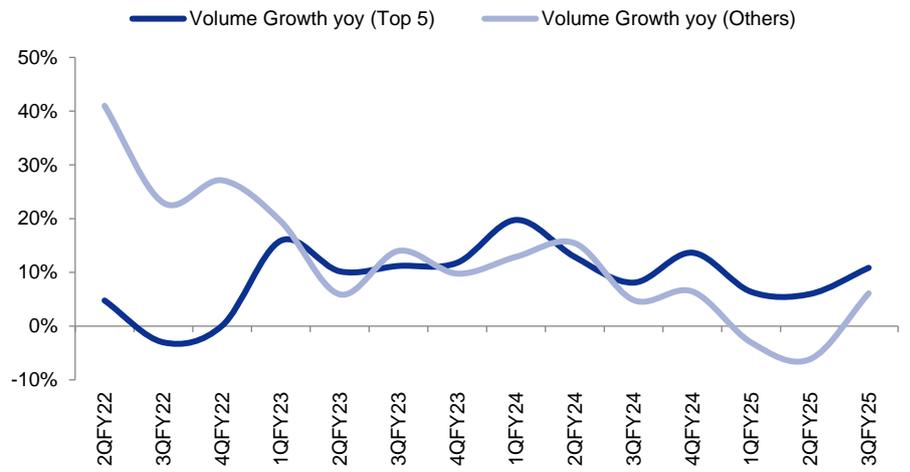
Figure 40: Asian Paints is losing market share in value terms



SOURCE: INCRED RESEARCH, COMPANY REPORTS

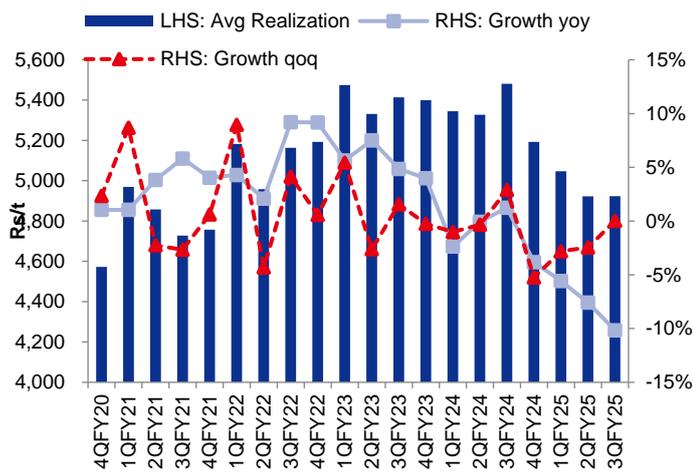
Key operational quarterly charts – cement coverage

Figure 41: Volume growth trend in 3QFY25 – Top 5 companies continue to be better than the others



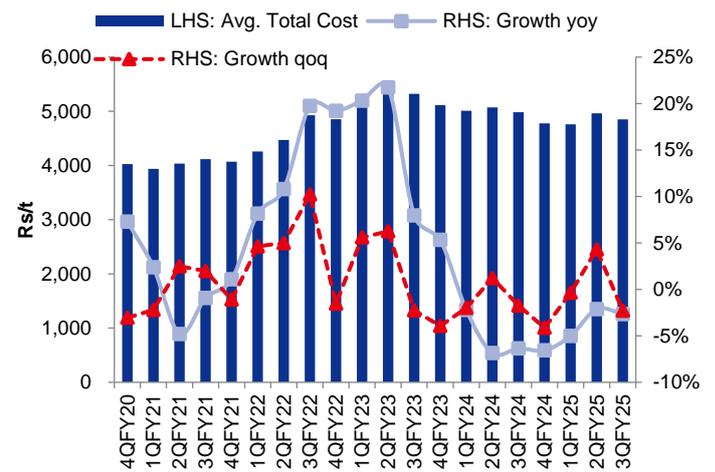
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 42: Realization trend - average realization was flat qoq in 3QFY25, with price hikes sustaining at quarter-end



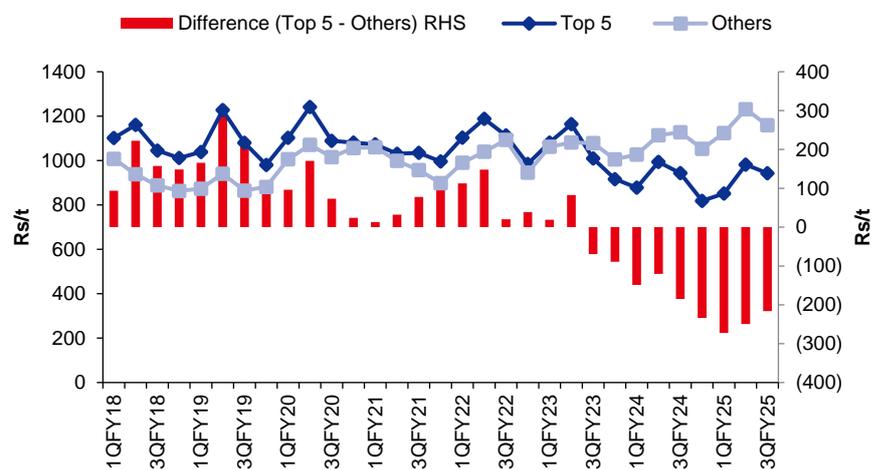
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 43: Trend in unit cost – average total costs/t down by 3% yoy in 3QFY25



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 44: Since the arrival of the Adani group, top 5 companies have become more efficient on the fixed cost front



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Key assumptions for our cement coverage companies

Figure 45: We expect cement volume of coverage companies to grow by ~9% over FY24-27F

Volume (mt)	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	CAGR FY19-24	CAGR FY24-27F
UTCCEM*	81	86	94	106	119	129	144	158	6.8%	10.0%
ACC*#	29	26	29	39	37	42	44	46	5.4%	7.8%
ACEM#	24	23	27	38	34	39	45	51	7.3%	14.2%
SRCM*	25	27	28	32	36	36	40	45	6.6%	7.9%
TRLC	11	10	11	15	18	19	21	23	10.6%	7.5%
JKCE*	8	10	12	14	17	17	19	22	14.4%	8.8%
BCORP*	14	13	14	16	18	18	19	21	5.0%	6.0%
HEIM	5	4	5	4	5	5	5	6	-0.4%	5.3%
DALBHARA*	19	21	22	26	29	30	33	36	9.0%	7.9%
JKLC*	10	10	11	11	12	12	13	14	1.5%	6.4%
Total	227	231	253	300	324	347	383	422	6.9%	9.2%

*CONSOLIDATED, # FOR ACC-ACEM, FY23 COMPRISES 15 MONTHS, SO ADJUSTED FOR 12M; YEAR-END CHANGES FROM DEC-MAR
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 46: We expect the realization of coverage companies to decline by ~1% over FY24-27F

Realization (Rs/t)	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	CAGR FY19-24	CAGR FY24-27F
UTCCEM*	5,127	5,122	5,501	5,900	5,864	5,583	5,644	5,735	4.2%	-0.7%
ACC#	4,801	4,909	5,044	5,276	5,059	4,695	4,799	4,890	1.7%	-1.1%
ACEM#	4,719	4,929	5,105	5,287	5,209	4,969	5,089	5,188	2.8%	-0.1%
SRCM*	5,163	5,052	5,411	5,611	5,741	5,281	5,381	5,478	4.8%	-1.6%
TRLC	4,792	5,281	5,413	5,416	5,081	4,594	4,660	4,735	2.2%	-2.3%
JKCE	4,527	4,494	4,774	4,971	5,009	4,808	4,924	5,042	4.6%	0.2%
BCORP	4,826	4,853	4,961	5,242	5,236	4,827	4,914	5,022	3.7%	-1.4%
HEIM	4,575	4,652	4,681	5,096	4,922	4,941	5,010	5,081	2.7%	1.1%
DALBHARA	4,691	4,874	5,073	5,141	5,105	4,809	4,905	5,003	1.5%	-0.7%
JKLC	4,342	4,523	4,840	5,650	5,662	5,034	5,155	5,247	7.9%	-2.5%
Average	4,756	4,869	5,080	5,359	5,289	4,954	5,048	5,142	3.6%	-0.9%

*BLENDED, # FOR ACC-ACEM, FY23 COMPRISES 15 MONTHS; YEAR-END CHANGES FROM DEC-MAR
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 47: We expect costs/t of coverage companies to decline by ~2% over FY24-27F

Cost (Rs/t)	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	CAGR FY19-24	CAGR FY24-27F
UTCCEM*	4,072	3,839	4,371	4,981	4,867	4,699	4,609	4,571	4.0%	-2.1%
ACC	4,585	4,477	4,553	5,257	4,579	4,451	4,392	4,385	0.4%	-1.4%
ACEM	3,956	3,849	3,981	4,435	4,229	4,226	4,142	4,096	1.6%	-1.1%
SRCM*	3,655	3,532	4,075	4,681	4,470	4,238	4,210	4,231	3.4%	-1.8%
TRLC	3,777	3,729	4,251	4,629	4,238	3,881	3,861	3,866	2.7%	-3.0%
JKCE*	4,478	4,223	4,641	5,178	4,974	4,860	4,815	4,782	2.8%	-1.3%
BCORP	4,091	4,069	4,466	5,029	4,656	4,431	4,408	4,418	2.8%	-1.7%
HEIM	3,489	3,589	3,899	4,529	4,263	4,184	4,189	4,194	4.8%	-0.5%
DALBHARA	3,923	3,550	3,991	4,367	4,188	3,995	3,975	3,999	0.7%	-1.5%
JKLC	3,548	3,625	3,991	4,916	4,785	4,355	4,302	4,302	6.7%	-3.5%
Average	3,957	3,848	4,222	4,800	4,525	4,332	4,290	4,284	2.9%	-1.8%

*BLENDED, # FOR ACC-ACEM, FY23 COMPRISES 15 MONTHS; YEAR-END CHANGES FROM DEC-MAR
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 48: We expect EBITDA/t of coverage companies to increase by ~3% over FY24-27F

EBITDA (Rs/t)	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	CAGR FY19-24	CAGR FY24-27F
UTCCEM*	1,055	1,339	1,225	1,005	1,089	965	1,122	1,254	7.0%	4.8%
ACC#	782	899	1,038	499	830	560	721	818	4.2%	-0.5%
ACEM#	893	1,167	1,187	852	980	744	946	1,092	4.6%	3.7%
SRCM*	1,508	1,520	1,337	930	1,271	1,044	1,171	1,247	3.3%	-0.6%
TRLC	1,015	1,552	1,162	787	844	712	799	869	-2.0%	1.0%
JKCE*	1,184	1,282	1,057	810	1,079	979	1,086	1,179	5.7%	3.0%
BCORP	979	999	781	491	815	590	698	792	3.5%	-0.9%
HEIM	1,122	1,129	910	567	659	757	822	887	-7.8%	10.4%
DALBHARA	1,072	1,324	1,084	906	917	814	929	1,004	-1.7%	3.1%
JKLC	794	898	849	735	878	679	852	945	16.6%	2.5%
Average	1,040	1,211	1,063	758	936	784	915	1,009	2.8%	2.5%

*BLENDED, # FOR ACC-ACEM, FY23 COMPRISES 15 MONTHS; YEAR-END CHANGES FROM DEC-MAR
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 49: We expect total revenue of coverage companies to increase by ~8% over FY24-27F

Revenue (Rs bn)	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	CAGR FY19-24	CAGR FY24-27F
UTCEM*	424	447	526	632	709	730	824	923	11.3%	9.2%
ACC*#	157	138	162	222	200	208	224	240	6.2%	6.4%
ACEM#	117	114	140	200	179	192	226	266	9.6%	14.0%
SRCM*	129	136	150	179	204	190	215	244	10.2%	6.2%
TRLC	54	53	60	81	93	87	97	108	12.6%	5.0%
JKCE*	58	66	80	97	116	115	128	144	17.1%	7.5%
BCORP*	69	68	75	87	97	91	99	110	8.1%	4.3%
HEIM	22	21	23	22	24	25	27	29	2.1%	6.5%
DALBHARA*	97	101	113	136	147	146	162	181	9.1%	7.1%
JKLC*	44	47	54	65	68	61	68	76	9.5%	3.8%
Total	1,169	1,191	1,382	1,721	1,836	1,846	2,071	2,319	10.2%	8.1%

*CONSOLIDATED, # FOR ACC-ACEM, FY23 COMPRISES 15 MONTHS; YEAR-END CHANGES FROM DEC-MAR
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 50: We expect EBITDA of coverage companies to grow by over ~12% over FY24-27F

EBITDA (Rs bn)	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	CAGR FY19-24	CAGR FY24-27F
UTCEM*	92.5	115.7	115.1	106.2	129.7	124.3	161.3	198.6	12.0%	15.3%
ACC*#	24.1	23.6	30.0	19.2	30.6	23.3	31.6	37.8	8.4%	7.3%
ACEM#	21.5	26.5	32.1	32.2	33.7	28.8	42.1	55.9	12.3%	18.3%
SRCM*	37.6	40.8	37.1	29.6	45.2	37.6	46.8	55.6	10.1%	7.2%
TRLC	11.4	15.5	12.8	11.8	15.5	13.6	16.7	19.8	8.4%	8.5%
JKCE*	12.1	15.4	14.8	13.1	20.6	19.2	23.5	28.4	19.8%	11.3%
BCORP*	13.4	13.4	11.1	7.7	14.4	10.7	13.6	16.7	8.7%	5.1%
HEIM	5.3	5.1	4.3	2.5	3.2	3.9	4.4	5.0	-8.1%	16.3%
DALBHARA*	21.1	27.6	24.3	23.3	26.4	24.7	30.8	36.3	6.3%	11.2%
JKLC*	8.0	9.4	9.5	8.4	10.5	8.2	11.2	13.7	18.3%	9.1%
Total	247	293	291	254	330	294	382	468	10.8%	12.4%

*CONSOLIDATED, # FOR ACC-ACEM, FY23 COMPRISES 15 MONTHS; YEAR-END CHANGES FROM DEC-MAR
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 51: We expect PAT of coverage companies to increase by ~14% over FY24-27F

PAT (Rs bn)	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	CAGR FY19-24	CAGR FY24-27F
UTCEM*	57.6	53.2	71.8	50.6	70.0	61.7	84.5	110.9	23.9%	16.5%
ACC*#	13.7	14.3	18.6	8.9	23.4	12.9	18.4	22.4	9.0%	-1.3%
ACEM#	15.3	17.9	20.8	25.5	23.3	25.7	35.3	45.1	9.4%	24.5%
SRCM*	15.4	22.9	23.3	12.7	24.0	9.2	15.2	20.9	18.9%	-4.4%
TRLC	6.0	7.6	8.9	3.4	3.9	1.9	4.2	6.4	-4.8%	17.4%
JKCE*	4.9	7.1	6.9	4.2	7.9	7.1	9.5	12.2	23.9%	15.6%
BCORP*	5.1	6.3	4.0	0.4	4.2	1.7	3.6	5.8	10.5%	11.5%
HEIM	2.7	3.1	2.5	1.0	1.7	2.2	2.6	3.0	-5.3%	21.6%
DALBHARA*	2.2	11.7	8.2	10.4	8.3	6.7	9.9	12.7	21.8%	15.3%
JKLC*	2.5	4.1	4.6	3.6	4.7	2.6	4.4	5.7	55.8%	6.4%
Total	125	148	170	121	171	132	187	245	16.4%	12.7%

*CONSOLIDATED, # FOR ACC-ACEM, FY23 COMPRISES 15 MONTHS; YEAR-END CHANGES FROM DEC-MAR
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Key assumptions for our paint coverage companies ➤

Figure 52: We expect total revenue of our paints coverage companies to increase by ~4% over FY24-27F

Revenue (Rs bn)	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	CAGR FY24-FY27F (%)
Asian Paints	202	217	291	345	355	340	356	387	3%
Berger Paints	64	68	88	106	112	118	125	136	7%
Kansai Nerolac Paints	53	51	64	75	78	79	86	93	6%
Pidilite Industries	73	73	99	118	124	137	153	172	12%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 53: We expect total EBITDA of our paint coverage companies to decline by ~1% over FY24-27F

EBITDA (Rs bn)	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	CAGR FY24-FY27F (%)
Asian Paints	42	49	48	63	76	61	65	70	-3%
Berger Paints	11	12	13	15	19	19	20	21	4%
Kansai Nerolac Paints	8	9	6	8	10	10	11	12	4%
Pidilite Industries	16	17	18	20	27	32	38	43	17%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 54: We expect PAT of our paint coverage companies to remain flat over FY24-27F

APAT (Rs bn)	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	CAGR FY24-FY27F (%)
Asian Paints	27	31	31	42	55	43	46	49	-3%
Berger Paints	7	7	8	9	12	12	13	13	5%
Kansai Nerolac Paints	5	5	4	5	5	7	7	8	14%
Pidilite Industries	12	11	12	13	18	22	26	30	19%

SOURCE: INCRED RESEARCH ESTIMATES, 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. While 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 is 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 a 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

Research Analyst or his/her relative(s) or InCred Research Services Private Limited or our associate may have any financial interest in the subject company.

Research Analyst or his/her relatives or InCred Research Services Limited or our associates may have actual or 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.

Research Analyst or his/her relative or InCred Research Services Private Limited or our associate entities may have any other material conflict of interest at the time of publication of the Research Report.

In the past 12 months, IRSPL or any of its associates may have:

- a) Received any compensation/other benefits from the subject company,
- b) Managed or co-managed public offering of securities for the subject company,
- c) Received compensation for investment banking or merchant banking or brokerage services from the subject company,
- d) Received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company

We or our associates may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.

Research Analyst may have served as director, officer, or employee in the subject company.

We or our research analyst may engage in market-making activity of the subject company.

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 on 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.

Registration granted by SEBI, membership of a SEBI recognized supervisory body (if any) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

InCred Research Services Private Limited

Research Analyst SEBI Registration Number: INH000011024

Registered Office: Unit No 1203, 12th Floor, B Wing, The Capital, C-70, G Block, BKC, Bandra (E), Mumbai – 400051

Phone: +91-22-6844-6100

Corporate Office: 05th floor, Laxmi Towers, Plot No. C-25, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400051

Phone: +91-22-4161-1500

Name of the Compliance Officer: Mr. Yogesh Kadam

Email ID: compliance@incredresearch.com, Phone No: +91-22-41611539

For any queries or grievances, you may contact the Grievance Officer.

Name of the Grievance Officer: Mr. Rajarshi Maitra

Phone no. +91-022-41611546

Email ID: rajarshi.maitra@incredresearch.com

CIN: U74999MH2016PTC287535

Recommendation Framework**Stock Ratings**

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.