

Axis Annual Report Analysis 2024



J Kumar Infrastructure Ltd



Robust Order Book & Efficient Execution To Sustain Growth

Summary

- Robust order book:** As of 31st Mar'24, the company's order book stood at Rs 21,011 Cr. The composition of the order book includes 19% from metro underground projects, 24% from metro elevated projects, 28% from elevated corridors and flyovers, and 15% from roads and road tunnels, with the remaining order book from water projects, civils, and other sectors. This robust order book provides strong revenue visibility for the next 3-4 years.
- Robust order intake:** In FY24, the company secured an order intake of Rs 11,810 Cr, nearly matching the previous year's order book of Rs 11,854 Cr. This represents the largest single-year increase in the company's order book by quantum. The significant order additions during the year included the Goregaon-Mulund Link Road Project (Road Tunnel) – Rs 3,088 Cr, Chennai Elevated Corridor Packages 1 to 4 – Rs 3,570 Cr, and the Versova-Dahisar Coastal Road (Package B: Bangur Nagar to Mindspace Malad) – Rs 1,278 Cr. These major projects contributed significantly to the overall order book expansion.
- Improvement in financial metrics:** During the year, the company's net worth increased to Rs 2,642 Cr from Rs 2,340 Cr. Its cash and liquidity position also improved, rising to Rs 629 Cr from Rs 553 Cr in the previous year, while its debt-to-equity ratio remained stable at 0.22x. Additionally, the company's return ratios saw improvement, with ROE at 13% and ROCE at 19%.

Key Highlights

- Robust growth in Sales/EBITDA and APAT:** The company's Sales/EBITDA/APAT for FY24 grew by 16%/18%/20% compared to FY23. The company's EBITDA margin improved by 20 basis points to 14.4%. This was achieved on the back of enhanced economies of scale through larger contract size, project locations proximate to each other, rising equipment investment and stringent project management.
- Investment in equipment:** The company invested in a range of equipment to enhance workflow, moderate project downtime following equipment non-availability, and enhance project outcomes following the use of specialized equipment. Through prudent equipment planning, our company accelerated projects and moderated equipment idling, catalyzing profitability.
- Debt management:** The company's total debt increased from Rs 516 Cr to Rs 576 Cr. Its gearing stood stable at 0.22 in FY24 as the growth in its net worth was deployed to address working capital requirements and equipment investments. The debt mobilised by the company was on account of equipment funding, cash credit facility from banks, and loans taken for bank guarantees. The cost of debt on the company's books was a modest 10% during the year under review.

Key Competitive Strengths

- a) Extensive experience in executing complex projects; b) Strong project management led by an experienced professional team; c) Modernising and strengthening construction capabilities; d) Robust financial position; e) Timely project deliveries driven by superior execution

Strategies Implemented

- a) Focus on niche segment; b) Focus on maintaining margin; c) Profitable Growth

Growth Drivers

- a) Growing urbanization, b) Connectivity projects, c) Digital infrastructure d) Renewable energy

Key Focus Areas moving forward

- a) Capitalising on niche segment; b) Diversification; c) Focus on high-margin projects

Outlook & Recommendation: The company has emerged as one of the premier EPC players in the niche segment of Metro, tunnelling and other Urban infrastructure segments and has delivered Revenue/EBITDA/PAT CAGR of 13%/13%/16% over FY20-FY24. We expect the growth momentum to sustain moving ahead as well. We expect JKIL to post healthy Revenue/EBITDA/APAT growth of 16%/19%/23% CAGR respectively over FY24-26E. This will be driven by the company's strong order book position, better order intake, diversification into the related sectors as well as the government's thrust on developing the infrastructure of the country. The stock is currently trading at a PE of 15x and 12x of its FY25E/FY26E earnings. We maintain our BUY rating on JKIL and value it at 14.5x FY26E EPS to arrive at a TP of Rs 950/share, implying an upside of 23% from the CMP.

Key Financials (Standalone)

(Rs Cr)	FY24	FY25E	FY26E
Net Sales	4,879	5,607	6,616
EBITDA	704	821	992
Net Profit	329	397	494
EPS (Rs)	43	52	65
PER (x)	19	15	12
P/BV (x)	2.3	2.0	1.8
EV/EBITDA (x)	9	8	6
RoE (%)	13%	14%	15%

Source: Company, Axis Securities Research

(CMP as of 9th Sept, 2024)

CMP (Rs)	773
Upside /Downside (%)	23
High/Low (Rs)	937/382
Market cap (Cr)	5,851
Avg. daily vol. (6m) Shrs.	3.93,000
No. of shares (Cr)	75.7

Shareholding (%)

	Dec-23	Mar-24	Jun-24
Promoter	46.7	46.7	46.7
FIIs	8.7	10.1	10.5
MFs / UTI	9.8	9.6	9.6
Banks / Fls	0.0	0.0	0.0
Others	34.9	33.6	33.3

Financial & Valuations

Y/E Mar (Rs Cr)	FY24	FY25E	FY26E
Net Sales	4,879	5,607	6,616
EBITDA	704	821	992
Net Profit	329	397	494
EPS (Rs)	43	52	65
PER (x)	19	15	12
P/BV (x)	2.3	2.0	1.8
EV/EBITDA (x)	9	8	6
RoE (%)	13%	14%	15%

Change in Estimates (%)

Y/E Mar	FY25E	FY26E
Sales	0	0
EBITDA	0	0
PAT	0	0

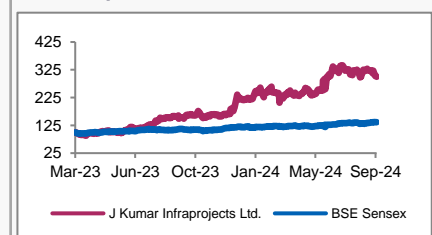
ESG disclosure Score**

Environmental Disclosure Score	NA
Social Disclosure Score	NA
Governance Disclosure Score	NA
Total ESG Disclosure Score	NA
Sector Average	49

Source: Bloomberg, Scale: 0.1-100

**Note: This score measures the amount of ESG data a company reports publicly and does not measure the company's performance on any data point. All scores are based on 2022 disclosures

Relative performance



Source: Ace Equity

Uttam K Simal

Research Analyst

Email: uttamkumar.simal@axissecurities.in

Shikha Doshi

Research Analyst

Email: shikha.doshi@axissecurities.in

Company Overview

J. Kumar Infraprojects Limited (JKIL) is an EPC player with more than 24 years of experience in the construction of Urban Infra Projects including Metros, Flyovers, Bridges, Tunnels, and STPs to name a few. It is renowned for undertaking design and construction projects on a turnkey basis, meeting clients' requirements with precision and efficiency. JKIL is focused on EPC projects, with a specific focus on Urban Infrastructure, Transportation, Infrastructure and Civil Construction.

FY24 Performance Round-up and Key Operational Activities

- **Revenue:** In FY24, the company achieved a turnover of Rs 4,879 Cr, registering a 16% YoY growth. This growth was driven by the company's concerted efforts to accelerate execution through the deployment of mechanization, automation, and digitization, which enhanced productivity and improved the quality of execution.
- **EBITDA margin:** The company's EBITDA margins improved by 22 bps to 14.4% in FY24 vs 14.2% in FY23. The improvement in EBITDA margins pertains to the company's project selection and efficient execution and effective cost control.
- **Net profit:** The company's net profit for FY24 grew by 20% to Rs 328 Cr from Rs 274 Cr in FY23. Its Net profit margin stood at 6.7% during the year vs. 6.5% in the last year.
- **Order book:** As of 31st Mar'24, the company's order book stood at Rs 21,011 Cr. The composition includes 19% from metro underground projects, 24% from metro elevated projects, 28% from elevated corridors and flyovers, 15% from roads and road tunnels, with the remaining from water projects, civils, and others. This order book provides revenue visibility for the next 3-4 years.
- **Earnings per Share (EPS):** EPS increased to Rs 43 in FY24 from Rs 36 in FY23, owing to the robust operating performance and higher profits.
- **Dividend:** The Board of Directors has recommended a final dividend of Rs 4/share for FY24, subject to the approval of the shareholders at the AGM. Its last year's dividend stood at Rs 3.50/share. (The face value of the company is Rs 5/share.)
- **Return on Capital:** The company achieved ROCE of 19% and ROE of 13%. ROCE and ROE both improved on better profitability during the year.
- **Key order win FY24:** During the financial year, the company received the following major orders
 - Secured Goregaon Mulund Link Road Project (Road Tunnel) - Rs.3,088 C
 - Bagged Chennai Elevated Corridor Package 1 to 4 – Rs. 3,570 Crores
 - Bagged Versova – Dahisar Coastal Road - Package B (Bangur Nagar to Mindspace Malad) – Rs. 1,278 Crores diameter of Tunnel Boring Machine which is going to be the largest diameter TBM driven Road Tunnel Project in INDIA Morshi - Chandur Bazar – Achalpur
- **Debt management:** The company's total debt increased from Rs 516 Cr to Rs 576 Cr, and gearing was stable at 0.22 in FY 24 as the company grew net worth on the one hand that was deployed to address working capital requirements and equipment investments. The debt mobilised by the company was on account of equipment funding, cash credit facility from banks and loans taken for bank guarantees. The cost of debt on the company's books was a modest 10% during the year under review

Robust revenue growth with healthy EBITDA margins and a strong order book provides better growth visibility. The company aims to transform itself

Key Growth Drivers

Growing Urbanization

With rapid urbanization, there is a growing demand for sustainable and modern infrastructure in Indian cities, including the development of smart cities, urban transport networks like metro rail services, and green infrastructure. By 2047, India's population is projected to reach 1.7 Bn, with nearly 51% residing in urban areas. To accommodate this significant growth, Indian cities will require approximately 230 Mn housing units by that time. This presents a considerable opportunity for infrastructure development, urban planning, and sustainable city solutions.

The government's infrastructure push to support overall growth of the company moving ahead.

Connectivity Projects

Major infrastructure projects such as Bharatmala, Sagarmala, and the dedicated freight corridors are upgrading and streamlining transportation, thereby expanding opportunities in project development, operations, and logistics. Bharatmala Pariyojana, India's largest highway infrastructure program, aims to develop 34,800 kilometres of national highway corridors with an investment of Rs 5.35 Tn. Since its approval in 2017, 15,549 kilometres of construction have been completed. Under the Sagarmala initiative, the Indian government has identified 604 projects worth US\$ 127 Bn.

Digital Infrastructure

Investments in digital infrastructure, including fibre optics, data centres, and telecommunications, support India's transition to a digital economy, unlocking significant opportunities in the digital realm. The development of such infrastructure acts as a catalyst for economic growth, creating jobs, promoting industrial expansion, and stimulating growth in real estate and related sectors. High-quality infrastructure reduces the cost of conducting business, enhances productivity, and improves the global competitiveness of Indian goods and services.

High-speed and dedicated freight corridors

The development of high-speed passenger corridors and dedicated freight corridors aims to reduce travel time and enhance cargo capacity representing another significant growth area within the railway sector.

Growing focus on renewable energy inclusion

India's ambitious targets for renewable energy expansion, including specific goals for solar energy and green hydrogen production, are supported by policies and incentives. Initiatives such as the Production Linked Incentive (PLI) scheme for solar PV manufacturers and the National Green Hydrogen Mission are integral to this effort. Diversifying energy sources to include renewables not only enhances energy security but also reduces dependence on imported fossil fuels, thereby further driving growth.

Key Strategies Moving Forward

Capitalising on a niche segment

The company is actively engaged in expanding India's metro rail network by constructing an additional 61 kilometres of track this year. Notably, metro projects constitute approximately 27% of J. Kumar's current order book. In FY24, 25% of the total revenue was derived from underground and elevated metro projects. In the upcoming fiscal year, J. Kumar aims to complete the Pune metro project and actively participate in bidding for the Bhopal, Indore, and Kanpur metro projects, underscoring its commitment to expanding urban transportation networks across India. Additionally, the company plans to broaden its product portfolio across various sectors.

Apart from capitalizing on niche segment and high margin and large projects the company aims to diversify in other related infra sectors for better growth.

Diversification for superior revenue mix

The company seeks to leverage its infrastructure construction capabilities to diversify its project and revenue mix. It intends to extend its business into new infrastructure areas such as road tunnels, water management projects, riverfront development, and civil construction. This diversification will enable the company to capitalize on a broader range of infrastructure opportunities, mitigate excessive dependence on select segments, and establish a robust infrastructure construction profile.

Focusing on large and high-margin projects

The company's focus on specific segments and its positioning as a knowledge-driven firm have resulted in the acquisition of challenging projects with high margins. During the year under review, the company achieved an EBITDA margin of 14.43%, surpassing that of peer companies. It bid for new projects with an EBITDA hurdle rate of 14% to 15%, and its high order book strike rate reflects its strategic clarity and the relatively uncongested nature of its operational segments. The segments where the company operates are anticipated to attract substantial investment. As one of the leading players in these areas, the company expects to secure a disproportionately large share of the order book.

Business Outlook

The Indian infrastructure sector is experiencing significant growth, with the market size estimated at US\$ 204.06 Bn in 2024 and projected to reach US\$ 322.27 Bn by 2029, growing at a CAGR of 9.57%. This expansion is likely to be driven by the government's commitment to infrastructure development, which includes a substantial allocation of 3.3% of GDP in FY24. Urban development initiatives, such as the UDAN scheme for aviation and the expansion of metro networks, are transforming urban transportation. India's metro rail network, now the fifth-largest globally, is poised to surpass advanced economies like Japan and South Korea.

The Indian infrastructure sector is set for further growth, supported by robust government policies and significant investments. The focus on sustainable development, along with increased private sector participation and foreign investments, is expected to drive the sector's expansion. Major projects, such as the Delhi-Mumbai highway and the world's highest railway bridge, highlight India's engineering capabilities and commitment to advancing infrastructure.

Risks & Mitigation

While JKIL has achieved notable success, it acknowledges the importance of managing risk factors to sustain growth and profitability. The company has implemented a robust risk management system, incorporating a comprehensive framework. This system ensures the swift identification, evaluation, and mitigation of risks across all functional areas.

The company is exposed to different kind of risks. The management remains cautious and vigilant to mitigate these risks through its well-instituted risk mitigation framework

- **Political Risk:** The company operates in multiple locations across various states and is therefore exposed to different geopolitical risks.
- **Mitigation:** To address these risks, the company has implemented appropriate mitigation strategies

- **Competition Risk:** The number of operators in the company's niche segment has increased. However, the company maintains its competitive advantage through an experienced workforce, a strong track record, technical expertise, financial strength, brand equity, and consistent engagement with clients and representatives.
- **Operational Risk:** To meet project requirements, careful attention is given to selecting sub-contractors, vendors, key technical and non-technical employees, insurance coverages, financial partnerships, timely acquisition of Right of Way and preparation of designs and drawings
- **Mitigation:** By identifying associated risks and initiating mitigation measures, the company effectively addresses operational risks

- **Raw Material Risk:** An increase in the cost of raw materials, particularly steel and cement or their unavailability over the tenor of the contract can impact the company's schedules and profit margins.
- **Mitigation:** The company enters into a long-term arrangement with suppliers for requisite raw materials for the tenure of the project, thus guaranteeing a continuous flow.

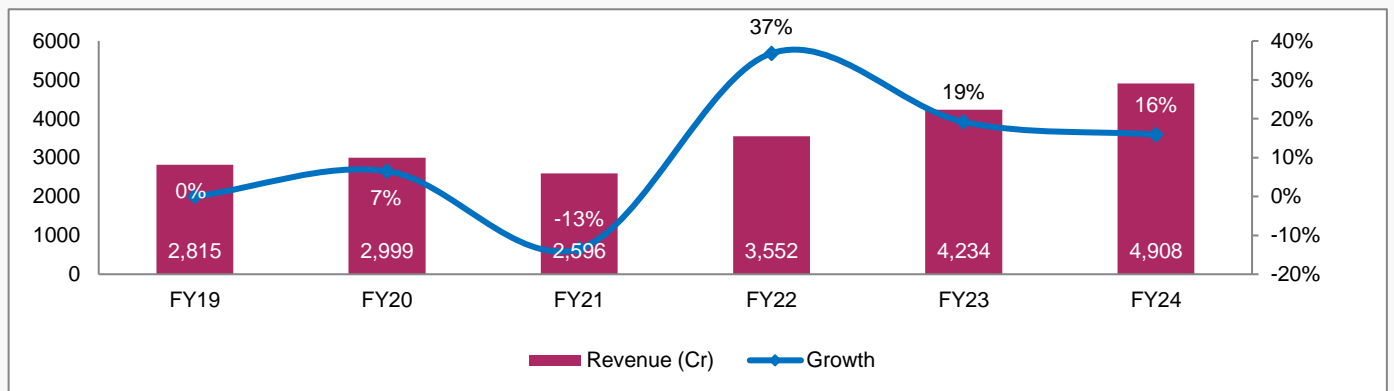
- **Working capital Risk:** Project delays, cost overruns and consequent delays in receipt of payments from the clients lead to an increase in working capital requirement
- **Mitigation:** The company has a process of close monitoring and follow-up with the clients for timely approvals and payments for better working capital management.

- **Contracts & Claims:** In a competitive environment, the company proactively addresses potential litigations and claims by maintaining robust documentation and follow-up mechanisms with clients, subcontractors and vendors.
- **Mitigation:** To mitigate risks arising from disputes and differences, it has a comprehensive system to identify, analyse, evaluate and address loss exposures and breaches of contractual obligations. This system also monitors risk control measures and financial resources to minimise the adverse effects of any losses

Profitability Analysis (Rs Cr)

Particulars	FY23	FY24	Change	Comments/Analysis
Sales	4,203	4,878	16%	Revenue increased due to a healthy order book and efficient execution of projects. We expect the company to report a revenue CAGR of 16% over FY24-26E
Raw Materials & others	3,233	3,720	15%	Increased owing to increased revenue and larger procurement of RM during the year.
Gross Profits	970	1,158	33%	Increased due to superior order intake and execution during the year
Operating Expenses	373	455	22%	Increased costs due to higher construction expenses and employee costs
EBITDA	597	704	18%	Growth in EBITDA due to higher operating income. We expect the company to report an EBITDA CAGR of 19% over FY24-FY26E.
Depreciation	155	168	8%	Increased due to an increase in assets
EBIT	442	536	21%	Increased owing to higher operating income during the year.
Interest	99	124	25%	Increased due to an increase in short-term borrowings and higher interest cost
Other income	30	28	-1%	Flattish YoY.
PBT	373	440	18%	PBT was higher led by the reasons mentioned above
Tax	99	112	13%	Tax is higher due to growth in profitability
PAT	275	329	20%	The profits are higher owing to better operating performance. We expect a 23% PAT CAGR over FY24-FY26E.
EPS	36	43	20%	EPS is in line with the PAT

Source: company; Axis Securities Research

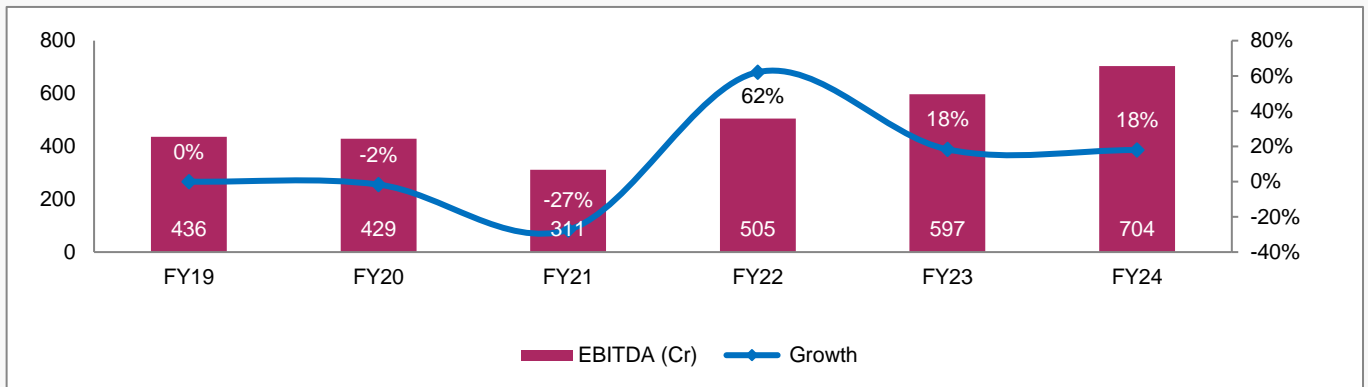
Exhibit 1: Revenue (Cr) and Revenue Growth Trend (%)


Source: Company, Axis Securities

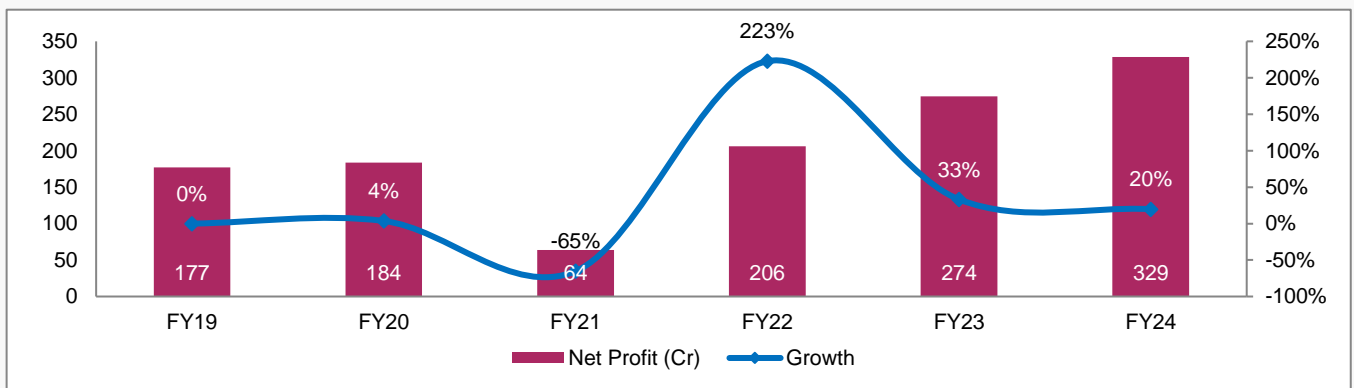
Profitability Margins

Particulars	FY23	FY24	Change	Comments/Analysis
GPM	23.1%	23.8%	70 bps	Increased owing to efficient execution and controlled cost.
EBITDAM	14.2%	14.4%	20 bps	Increased owing to higher sales and better operating performance
PATM	6.5%	6.7%	20 bps	Improved as overall profitability increased.

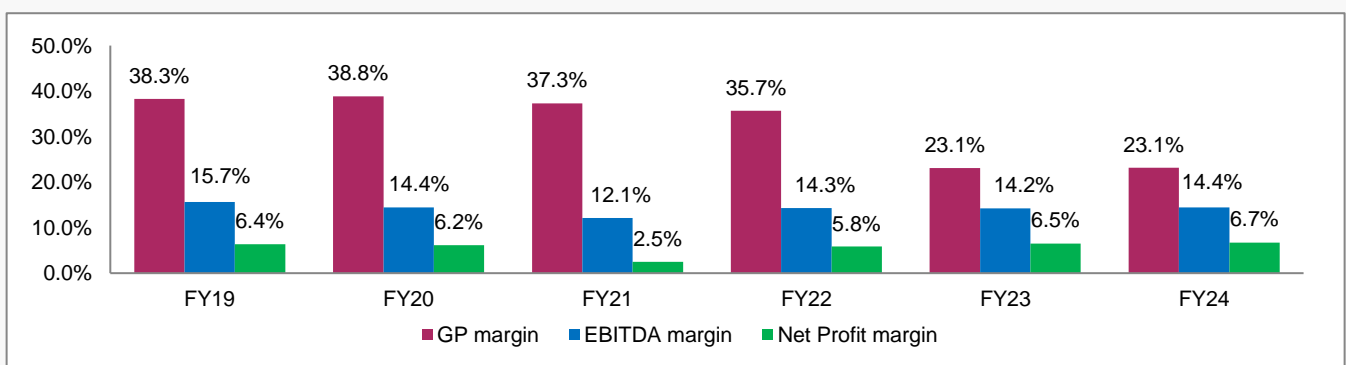
Source: Company; Axis Securities Research

Exhibit 2: EBITDA (Cr) and EBITDA growth trend (%)


Source: Company, Axis Securities Research

Exhibit 3: Net Profit (Cr) and Net Profit growth trend (%)


Source: Company, Axis Securities Research

Exhibit 4: Gross Margin, EBITDA Margin & Net Profit Margin


Source: Company, Axis Securities Research

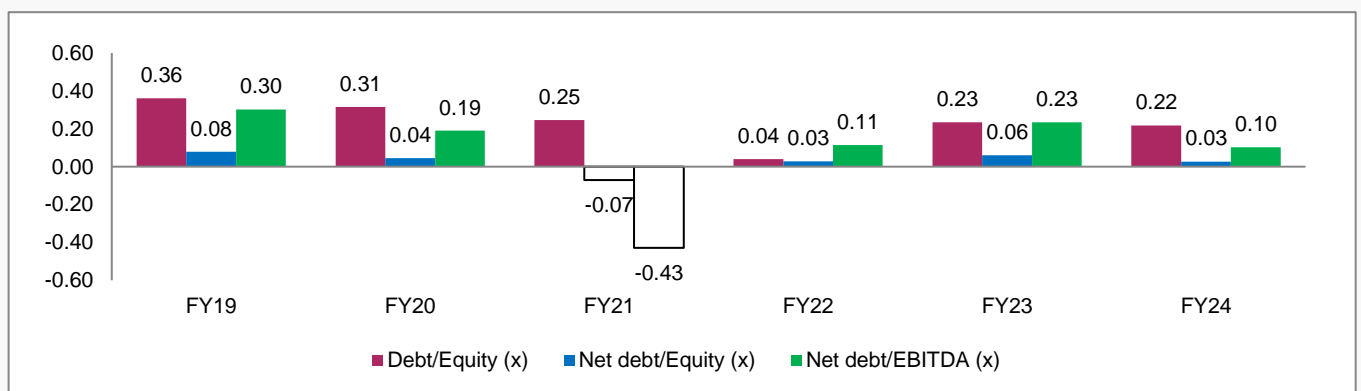
Financial Ratios

Particulars	FY23	FY24	Change	Comments/Analysis
ROE	12.5%	13.3%	80bps	ROE improved led by higher profitability
ROCE	18.4%	20.1%	170 bps	ROCE improved owing to higher EBIT margins during the year
Asset Turn	1.78	1.78	0x	Asset turn remained flattish as new assets were added during the year
Debt/Equity	0.22	0.22	0x	Remained flattish as an increase in short-term debt was compensated by higher profitability

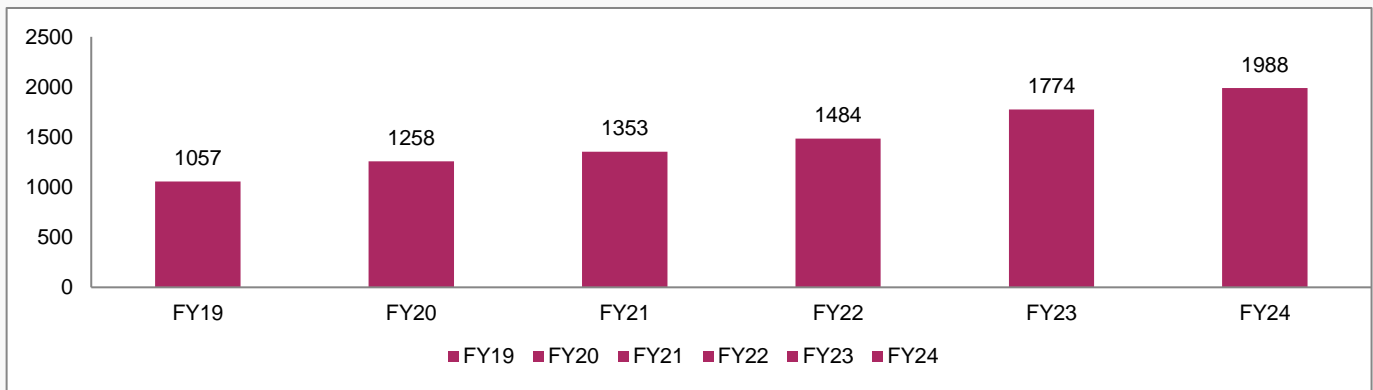
Source: Company; Axis Securities Research

Key Balance Sheet Takeaways

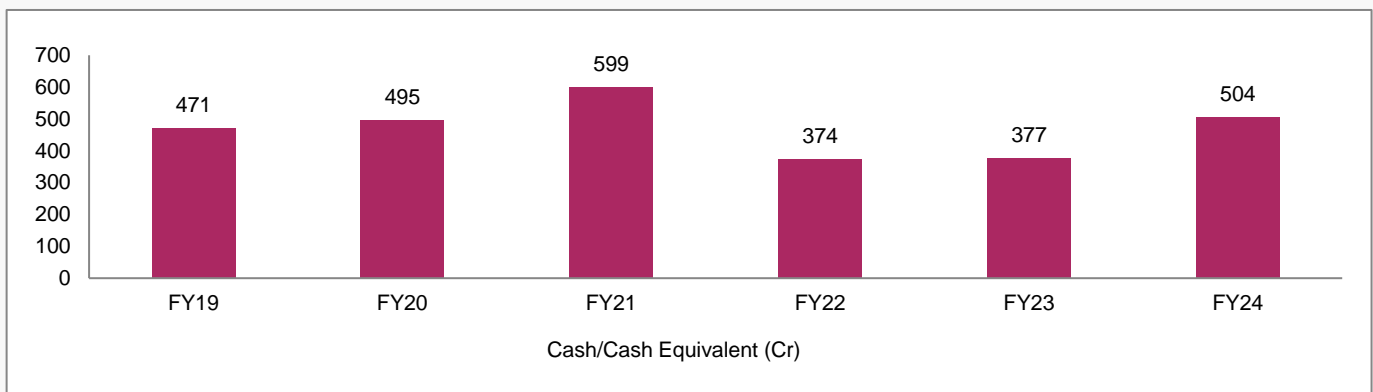
- Working Capital Management:** During the year, the company generated OCF of Rs 337 Cr against Rs 183 Cr in FY23, an increase of 84% backed by robust operating performance. The working capital requirement also reduced to Rs 250 Cr against Rs 323 Cr in FY23. OCF to EBITDA ratio also improved to 48% from 31% in FY23.
- Capex:** Between FY20-FY24, the company generated a total OCF of Rs 1,527 Cr and 49% of the total OCF (Rs 752 Cr) was utilized towards the company's Capex program, indicating a lower Capex intensity. While the CFO remained the major source of funding for the company, it generated an FCF of Rs 744 Cr.
- Debt:** The company's debt to equity stood at 0.22x against 0.23x mostly flattish owing to better profitability despite the increase in short-term borrowing.
- Fixed Capital Formation:** Gross Fixed Capital Formation improved to Rs 1,988 Cr in FY24 from Rs 1,774 Cr in FY23, an improvement of 12% as the company incurred Capex for superior project execution.
- Cash & liquidity position:** The company's liquidity position has improved owing to better working capital management during the year. The cash & equivalent including bank balance stood at Rs 502 Cr in FY24 against Rs 376 Cr in FY23, an increase of 34% YoY.

Exhibit 5: Leverage Ratio


Source: Company, Axis Securities Research

Exhibit 6: Gross & Net Block


Source: Company, Axis Securities Research

Exhibit 7: Cash & Cash Equivalents Inc. Bank Balance (Cr)


Source: Company, Axis Securities Research

Key Cashflow Takeaways (Rs Cr)

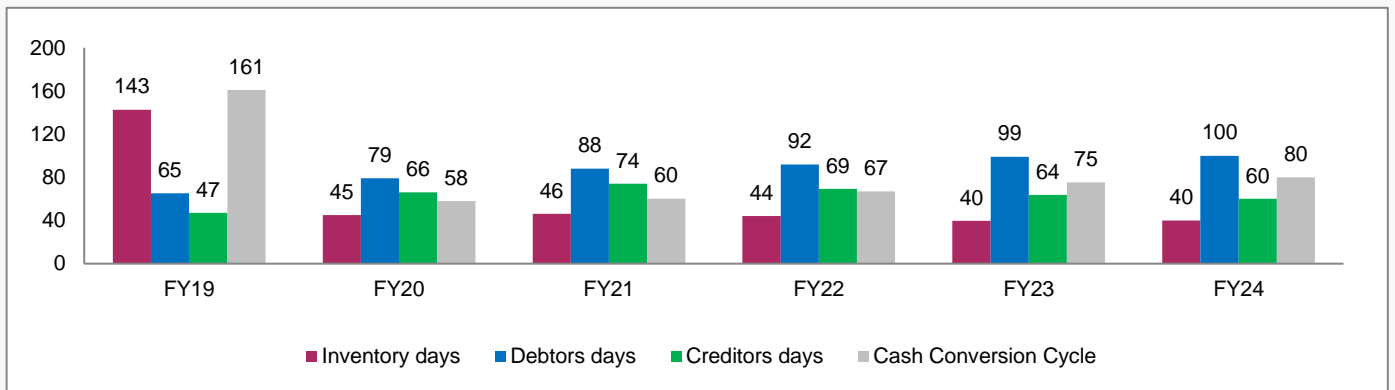
Particulars	FY23	FY24	Change	Comments/Analysis
PBT	374	440	17%	PBT was higher owing to higher profits during the year
Depreciation	155	168	8%	As per the policy of the company
Finance cost	99	124	25%	Increased due to an increase in debt and higher finance costs.
Working capital	-323	-250	23%	Decrease in WC due to lower trade receivables during the year.
CFO	183	337	84%	Higher owing to better profitability and lower WC requirement
CFI	-186	-193	4%	Higher owing to lower other income.
CFF	-42	-105	150%	Higher owing to repayment of loan and finance cost.
Capex	-218	-218	0%	Remained flattish.

Source: Company; Axis Securities Research

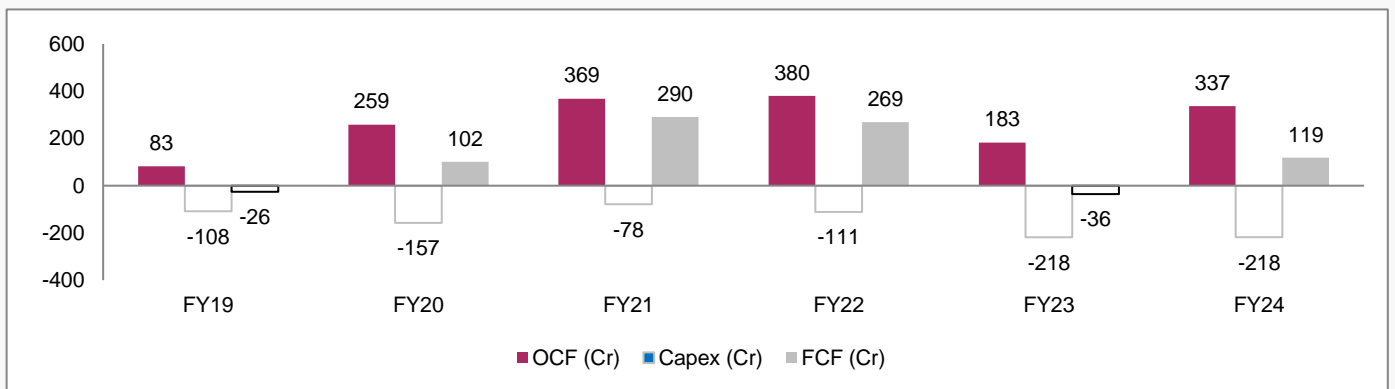
Cash Conversion Cycle

Particulars	FY23	FY24	Change	Comments/Analysis
Inventory Days	40	42	2	Increased owing to larger procurement of RM
Trade Receivables	99	89	-10	Reduced due to better collection during the year.
Trade Payables	64	51	13	lower owing to strict suppliers' credit.
Cash Conversion Cycle	75	80	5	CCC increased owing to strict supplier credit.

Source: Company; Axis Securities Research

Exhibit 8: Cash Conversion Cycle


Source: Company; Axis Securities Research

Exhibit 9: OCF, Capex & FCF


Source: Company; Axis Securities Research

Financials (Standalone)

Profit & Loss

(Rs Cr)

Y/E Mar, Rs Cr	FY24	FY25E	FY26E
Net sales	4,879	5,607	6,616
Other operating income	0	0	0
Total income	4,879	5,607	6,616
Cost of materials consumed	3,170	3,624	4,287
Civil construction cost	550	634	708
Contribution (%)	23.8%	24.1%	24.5%
Other Expenses	455	528	629
Operating Profit	704	821	992
Other income	28	34	33
PBIDT	732	855	1,025
Depreciation	168	176	211
Interest & Fin Chg.	124	145	155
Pre-tax profit	441	534	659
Tax provision	112	137	165
PAT	329	397	494

Source: company, Axis Securities Research

Balance Sheet

(Rs Cr)

Y/E Mar, Rs Cr	FY24	FY25E	FY26E
Total assets	4,708	5,349	5,950
Net Block	971	1195	1234
CWIP	111	111	111
Investments	1	1	1
Wkg. cap. (excl cash)	1394	1604	1977
Cash / Bank balance	504	436	489
Other assets	1726	2001	2138
Capital employed	4,708	5,349	5,950
Equity capital	38	38	38
Reserves	2604	2971	3435
Minority Interests	0	0	0
Borrowings	576	576	576
Other Liabilities	1490	1764	1902

Source: company, Axis Securities Research

Cash Flow
(Rs Cr)

Y/E Mar, Rs Cr	FY24	FY25E	FY26E
Profit after tax	441	534	659
Depreciation	168	176	211
Interest Expenses	124	145	155
Non-operating / EO item	-250	-210	-373
Change in W/C	-26	-34	-33
Operating Cash Flow	-120	-137	-165
Capital Expenditure	337	474	455
Free cash Flow	-218	-400	-250
Other Investments	25	34	33
Investing Cash Flow	(193)	(366)	(217)
Proceeds / (Repayment) of Borrowings	-124	-145	-155
Payments for buy-back of equity shares	19	-30	-30
Finance cost paid	(105)	(176)	(186)
Dividend paid	38	(68)	52
Financing Cash Flow	65	103	35
Change in Cash	103	35	88
Opening Cash	441	534	659
Closing Cash	168	176	211

Source: company, Axis Securities Research

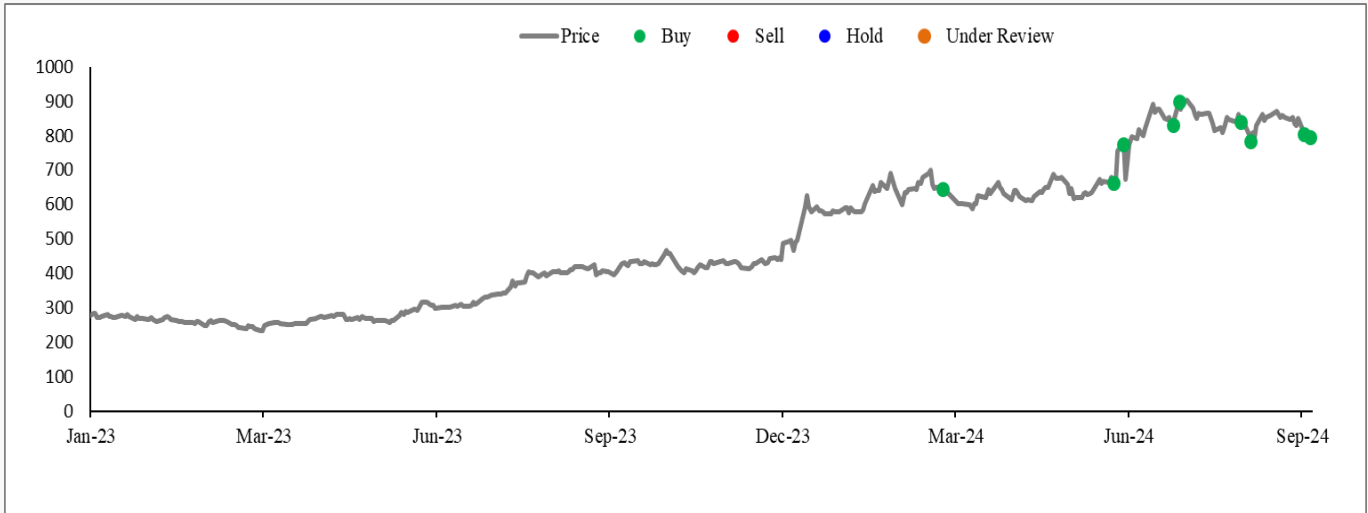
Ratio Analysis

(%)

Y/E Mar, Rs Cr	FY24	FY25E	FY26E
Growth Indicator			
Sales Growth	16%	15%	18%
EBITDA Growth	18%	17%	21%
PAT Growth	20%	21%	25%
Profitability Ratio			
EBITDA Margin	14.4%	14.6%	15.0%
Adjusted net margin	6.7%	7.1%	7.5%
Efficiency Ratio			
Capital Turnover	1.8	1.9	1.9
Total Asset Turnover	1.7	1.7	1.8
Fixed Asset Turnover	4.5	4.3	4.9
Debtor days	89	89	89
Inventory days	42	42	42
Payable days	51	51	51
Cash Conversion Cycle (days)	80	80	80
Leverage Ratios			
Debt to equity	0.2	0.2	0.2
Net debt to equity	0.0	0.0	0.0
Interest coverage	6	6	6
Per Share Data			
Diluted EPS (Rs)	43	52	65
Book value per share (Rs)	349	398	459
DPS (Rs)	3.5	4.0	4.0
Return Ratios			
Return on equity	13%	14%	15%
Return on capital employed	21%	22%	23%
Valuation Ratio			
P/E	19	16	12
P/BV	2.3	2.0	1.8
EV/EBITDA	8.9	7.6	6.3

Source: company, Axis Securities Research

J Kumar Infraprojects Price Chart and Recommendation History



Date	Reco	TP	Research
05-Mar-24	BUY	800	Initiating Coverage
30-May-24	BUY	845	Result Update
03-Jun-24	BUY	845	Top Picks
01-Jul-24	BUY	920	Company Update
01-Jul-24	BUY	920	Top Picks
01-Aug-24	BUY	950	Top Picks
08-Aug-24	BUY	950	Result Update
02-Sep-24	BUY	950	Top Picks
10-Sep-24	BUY	950	AAA

Source: Axis Securities Research

Disclaimer:

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. Jatin Sanghani, 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: Axis Securities Limited, Aaurum Q Parc, 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's price 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.

RATING SCALE: Definitions of ratings

Ratings	Expected absolute returns over 12 – 18 months
BUY	More than 10%
HOLD	Between 10% and -10%
SELL	Less than -10%
NOT RATED	We have forward looking estimates for the stock, but we refrain from assigning valuation and recommendation.
UNDER REVIEW	We will revisit our recommendation, valuation and estimates on the stock following recent events
NO STANCE	We do not have any forward-looking estimates, valuation or recommendation for the stock

Note: Returns stated in the rating scale are our internal benchmark.

List of Research Analyst (Fundamental):

Sr. No	Name	Designation	Sector	E-mail
1	Neeraj Chadawar	Head of Research	All Sectors	neeraj.chadawar@axissecurities.in
2	Preeyam Tolia	Research Analyst	FMCG and Retail, Real Estate	preeyam.tolia@axissecurities.in
3	Omkar Tanksale	Research Analyst	IT, Telecom, Internet	omkar.tanksale@axissecurities.in
4	Uttamkumar Srimal	Research Analyst	Cement, Infra, Railway	uttamkumar.srimal@axissecurities.in
5	Ankush Mahajan	Research Analyst	Pharmaceutical, Hospital, Hotel	ankush.mahajan@axissecurities.in
6	Dnyanada Vaidya	Research Analyst	BFSI	dnyanada.vaidya@axissecurities.in
7	Aditya Welekar	Research Analyst	Metal and Mining, Power Utilities	aditya.welekar@axissecurities.in
8	Sani Vishe	Research Analyst	Chemicals Capital Goods, Mid-cap	sani.vishe@axissecurities.in
9	Eesha Shah	Research Analyst	Real Estate, Special Situation	eesha.shah@axissecurities.in
10	Shridhar Kallani	Research Associate	Auto and Auto ancillaries	shridhar.kallani@axissecurities.in
11	Shikha Doshi	Research Associate	Cement, Infra, Railway	shikha.doshi@axissecurities.in
12	Suhanee Shome	Research Associate	FMCG and Retail	suhanee.shome@axissecurities.in
13	Shivani More	Research Associate	Chemicals Capital Goods, Mid-cap	shivani.more@axissecurities.in
14	Pranav Nawale	Research Associate	BFSI	pranav.nawale@axissecurities.in
15	Darsh Solanki	Research Associate	Metal and Mining, Power Utilities	darsh.Solanki@axissecurities.in
16	Aman Goyal	Research Associate	Pharmaceutical, Hospital, Hotel	aman.goyal@axissecurities.in
17	Arundhati Bagchi	Research Associate	Database Analyst, Economy	arundhati.bagchi@axissecurities.in