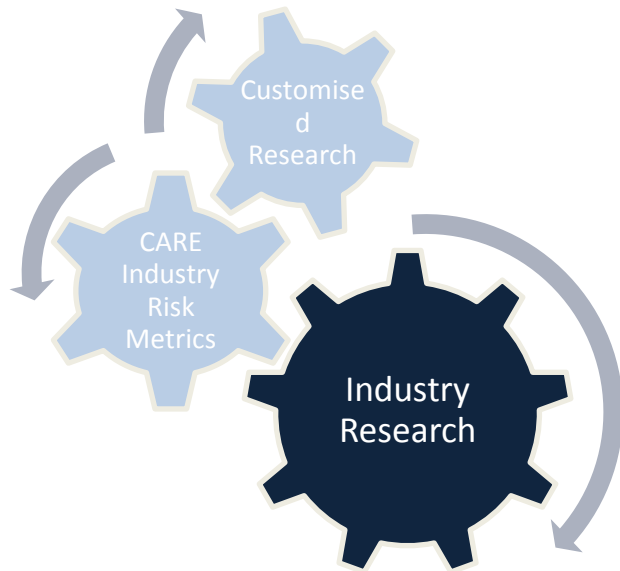




*Celebrating Two Decades of Analytical Excellence*

# *CARE Research Presentation*

# ABOUT CARE RESEARCH



**Industry Research:** CARE Research offers value research in the form of industry research reports which are subscribed to by investors, bankers, analysts, corporates etc. The industry research has been in existence since inception of CARE as its integral part to provide support to the rating business. However, it has now become a separate division since 2006. The reports contain high quality data, trends, opinions and are updated on monthly/quarterly basis. **At present research reports are available on 46 sectors.** The services today are subscribed by a vast number of clients. **We also do Industry write-ups for capital market offering, and have covered 28 niche sectors**

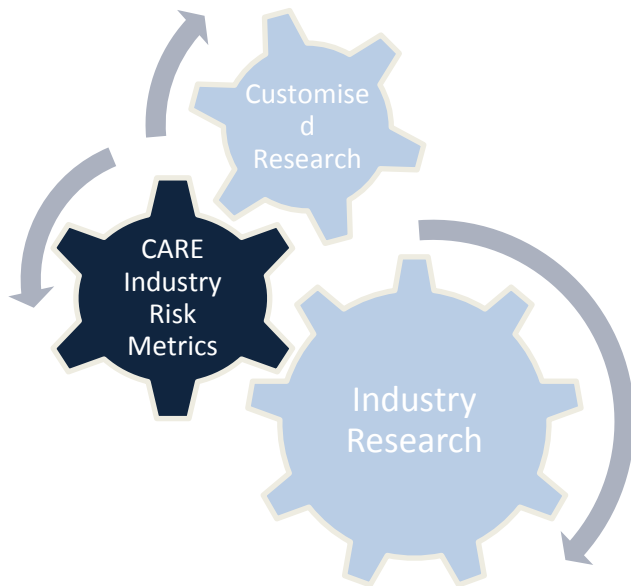
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**Customised Research:** CARE Research customised solutions for corporate helps in gauging business opportunities, competitive scenario, regulatory procedures, etc which would enable them in making better investment decisions. CARE Research utilizes huge internal databases that have been built over the years or undertakes a mix of primary as well as secondary research for accomplishing the task.

# LIST OF RESEARCH REPORTS

LIST OF INDUSTRIES					
	Sector	Updates		Sector	Updates
1	Aluminium	Monthly	24	Passenger Vehicle	Monthly
2	Apparel Industry	Quarterly	25	Pesticides	Quarterly
3	Auto Component	Annual	26	Pharmaceutical	Monthly
4	Banking	Monthly	27	Pipe	Quarterly
5	Cement	Monthly	28	Power Generation	Quarterly
6	Chlor-Alkali	Monthly	29	Retail	Quarterly
7	Coal	Quarterly	30	Roads & Highway	Quarterly
8	Commercial Vehicle	Monthly	31	Roads Freight Transport	Annual
9	Construction	Quarterly	32	Shipbuilding	Monthly
10	CRAMS Industry	Quarterly	33	Shipping	Quarterly
11	Crude Oil	Quarterly	34	Steel	Monthly
12	Education	Annual	35	Sugar	Monthly
13	Express Service	None	36	Tea-Coffee Industry	Monthly
14	Gems & Jewellery	Monthly	37	Telecom Tower	Half Yearly
15	Hospital Industry	Quarterly	38	Telecom-Wireless	Quarterly
16	Hotel	Monthly	39	Tractor	Quarterly
17	Iron Ore	Annual	40	Two Wheeler	Monthly
18	Man Made Fibre	Monthly	41	Tyre	Monthly
19	Manganese Ore	Annual	42	Renewable Energy Sources	Quarterly
20	Natural Gas	Quarterly	43	Refining and Marketing	Quarterly
21	Zinc and Lead	Monthly	44	Seeds Industry	Quarterly
22	Cotton and Cotton Yarn	Quarterly	45	Housing Finance Industry	Quarterly
23	Paper	Quarterly	46	Business Process Management	Half Yearly

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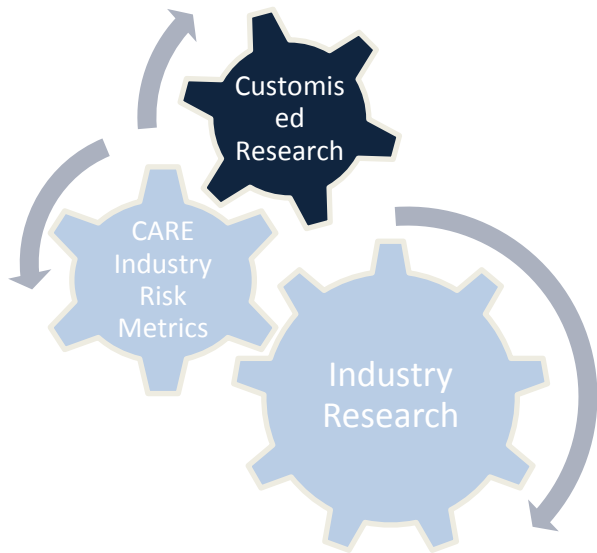
# LIST OF CIRM REPORTS

LIST OF INDUSTRIES			
No	Sectors	No	Sectors
1	Agri - Edible Oil	29	NBFC Housing Finance
2	Agri - Food Processing	30	NBFC Micro - Finance
3	Air Conditioners	31	NFM -Aluminium
4	Airlines/Civil Aviation	32	NFM-Other Metals excl Al & Zn
5	Airports	33	NFM-Zinc
6	Auto Tractors	34	Organized Retailing
7	Auto-2/3 Wheelers	35	Packaging
8	Auto-4 Wheelers/Cars/Sports Utilities (PV)	36	Paints
9	Auto-Commercial Vehicles	37	Paper and Paper products
10	Automotive Components	38	Paper -Newsprint
11	Banking	39	Petrochemicals
12	Bearings	40	Petroleum - Gas Transportation Distribution
13	Biopharma	41	Petroleum - Oil and Gas Exploration
14	Breweries and Distilleries	42	Petroleum - Oil and Gas Service Provider Upstream
15	Broadband	43	Petroleum - Refinery and Marketing
16	Casting and Forging	44	Pharma - Bulk Drugs
17	Cement and Cement Products	45	Pharma - Formulations
18	Ceramics and Sanitary ware	46	Plastics and Polymers
19	Chemical Organics	47	Power - Cables
20	Chemicals – Agrochemicals	48	Power - Distribution
21	Chemicals - Inorganic/Chloro Alkali	49	Power - Equipment
22	Chemicals Dyes Pigments	50	Power - Generation
23	Chlor Alkali	51	Power - Transmission
24	Coffee	52	Power Renewable IPPs
25	Compressors	53	Printing and Publishing
26	Construction Equipment	54	Pumps
27	Construction-Erection ,Commissioning, Maintenance	55	CRAMS
28	NBFC Asset & Retail Finance	56	Cycles

# LIST OF CIRM REPORTS ....contd

LIST OF INDUSTRIES			
No	Sectors	No	Sectors
57	Diesel Engines	87	Services - Brokers
58	Domestic Freight RFTI	88	Services - Educational Institutions
59	Electrical Goods/Components/Appliances	89	Services - Hospitals
60	Engineering/Manufacturing - General	90	Services - Hotels
61	Fertilizer	91	Services- Hotels-Budget/Midmarket
62	FMCG	92	Services - Mutual Funds
63	Gems and Jewellery	93	Services - Specialised Institutions and others
64	Glass and Glass Products	94	Ship Building / Ship Yard
65	Iron and Steel - Stainless Steel	95	Shipping
66	Iron and Steel -Alloy Steel	96	Sugar
67	Iron and Steel –HR	97	Tea
68	Iron and Steel –CR & GPGC	98	Telecom Infrastructure
69	Iron and Steel-Secondary	99	Telecom Services
70	IT-Enabled Services	100	Textile Denim
71	IT-Hardware	101	Textile Jute
72	IT-Software	102	Textiles - Machinery
73	Lead Acid Batteries	103	Textiles- Cotton / Natural fibre
74	Leather and Leather products	104	Textiles- Cotton Fabric
75	Logistics , Cargo Handling and Warehousing	105	Textiles- Garments & other products
76	Lubricants	106	Textiles- Manmade /silk /woolen
77	Machine Tools	107	Tobacco and Tobacco Products
78	Media and Entertainment - Film Production	108	Trading
79	Media and Entertainment-Print	109	Tyres
80	Media and Entertainment-TV Broadcasting	110	White Goods / Consumer Durables / Electronics
81	Media and Entertainment-TV Content	111	Wood and Wood Products
82	Mining	112	Wood and Wood Products
83	Real Estate	113	Refractories
84	Roads	114	Sponge Iron
85	Rubber and Rubber Products	115	Primary Dealer
86	Sea Ports	116	Renewable Equipments

# ABOUT CARE RESEARCH



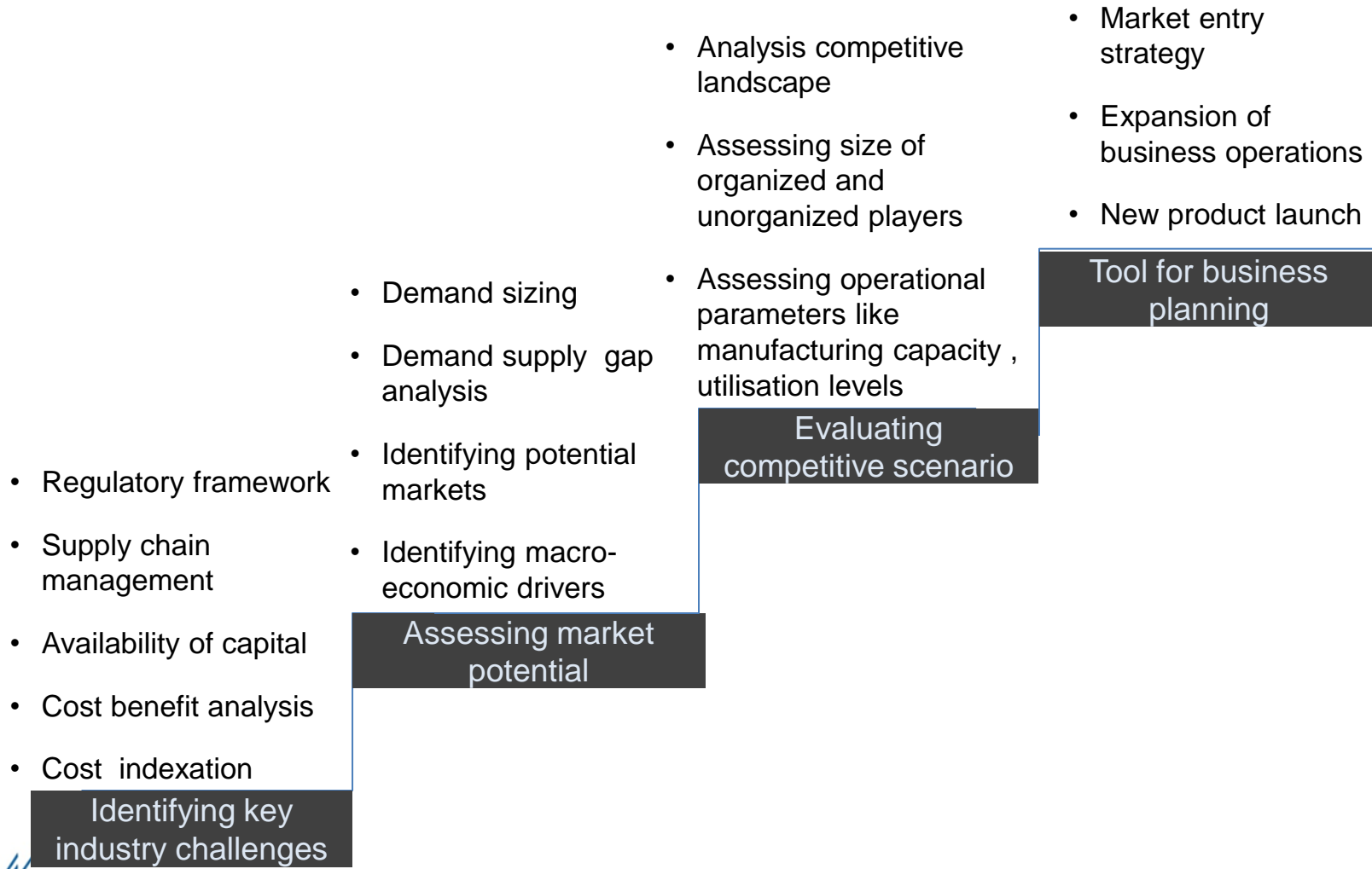
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# CUSTOMISED RESEARCH



# CARE Research – Key Clients



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# CARE Research – Key Clients



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PROTECT TO PROSPER



ESTD. 1906



PC Jeweller



FIRSTRAND



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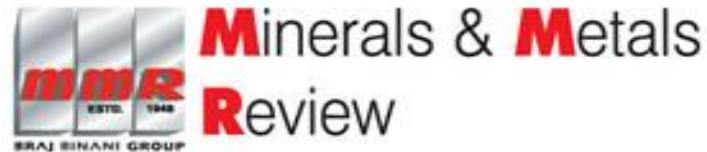
# CARE Research – Knowledge Partners



Confederation of  
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Automotive Dealership Excellence Awards



Business Standard



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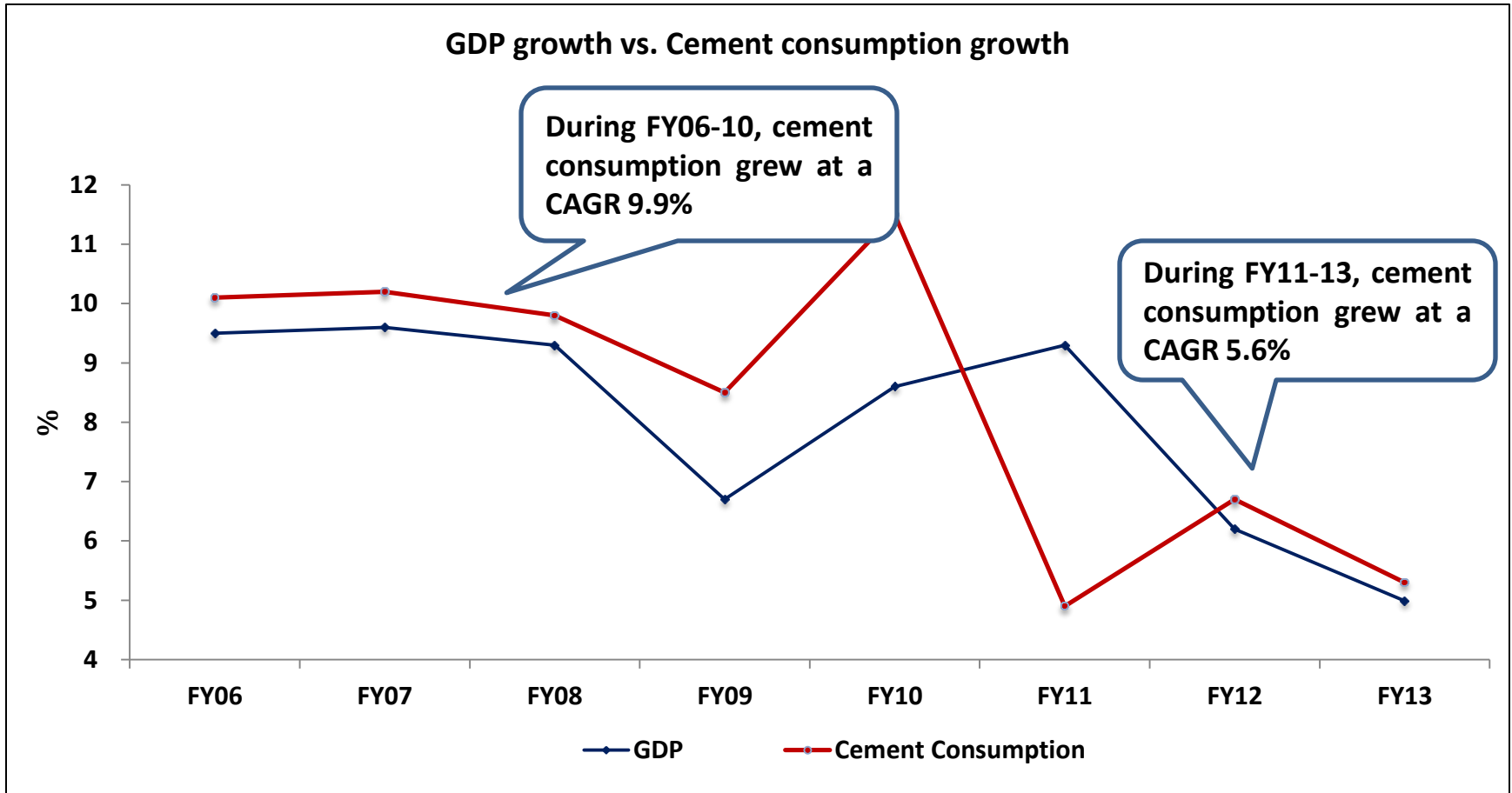
# INDIAN CEMENT INDUSTRY

*“Is cement sector on a recovery path”*

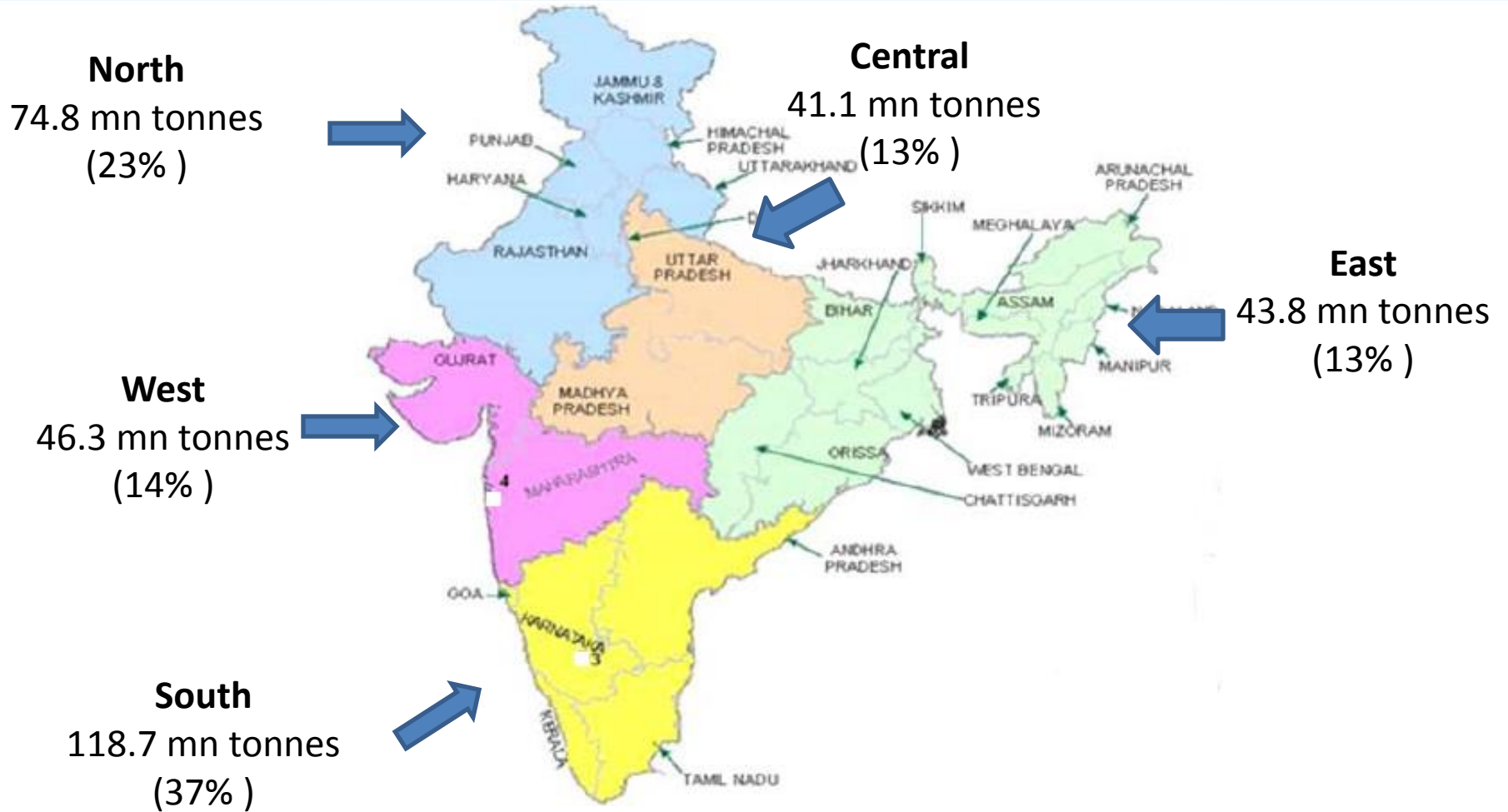
# Flow of Presentation

- **Current Scenario**
  - ✓ **Overview**
  - ✓ **Regional Scenario**
  - ✓ **Competitive landscape**
  - ✓ **Industry Aggregates - Costs, Margins & Prices**
- **Outlook**
  - ✓ **Overall Demand & Supply**
  - ✓ **Price & Margins**
  - ✓ **Break even Analysis**
  - ✓ **Consolidation- an open opportunity...**

# Overview

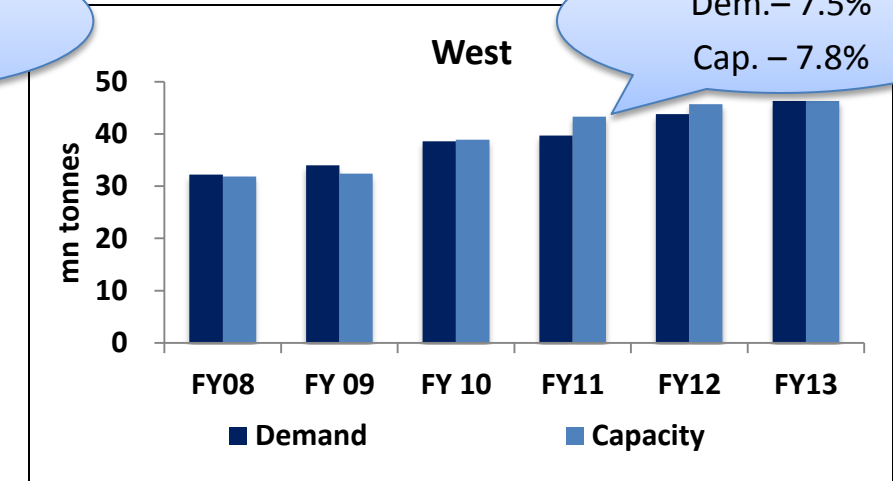
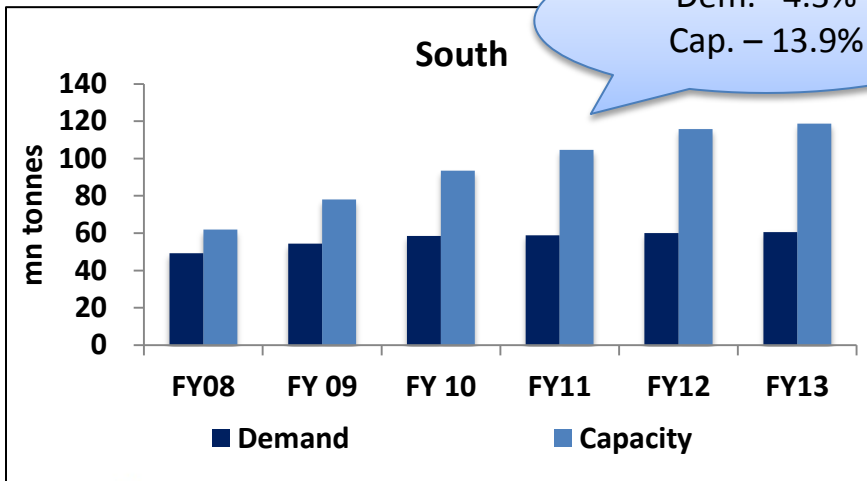
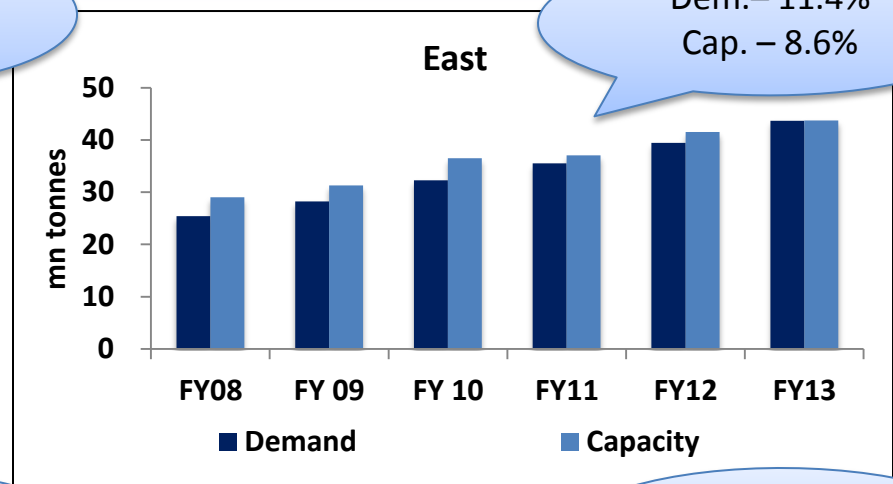
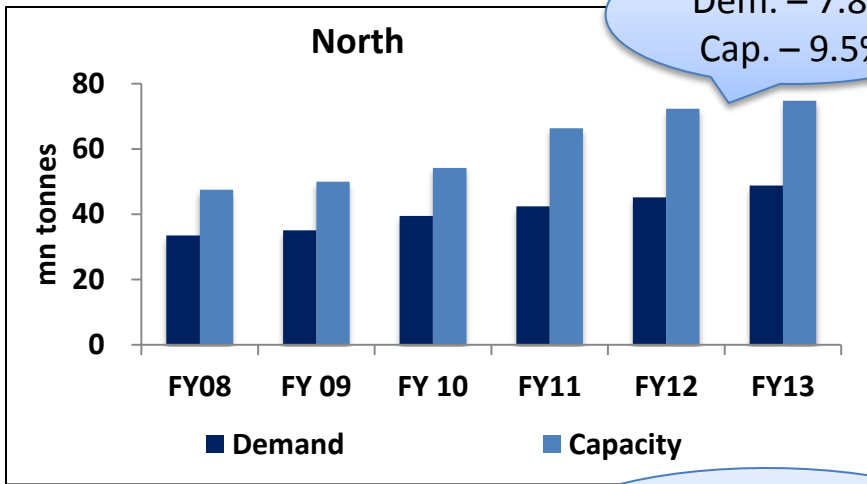


# Regional Scenario

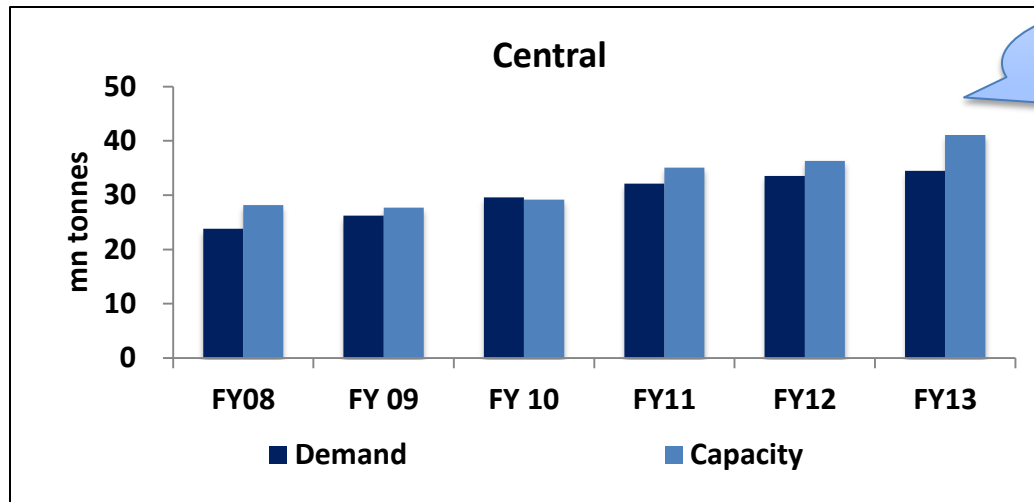




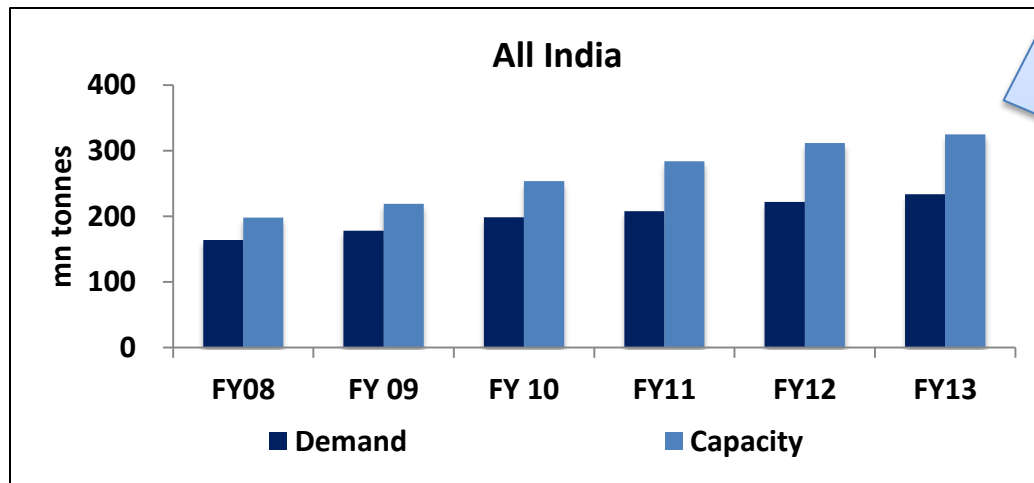
# Regional Scenario



# Regional Scenario



Dem. – 7.7%  
Cap. – 7.8%



**During the period FY08-13,**

- Demand has grown at CAGR of 7.3%.
- Capacity has grown at CAGR of 10.4%.
- Industry witnessed a capacity addition of 126.4 mn tonnes.

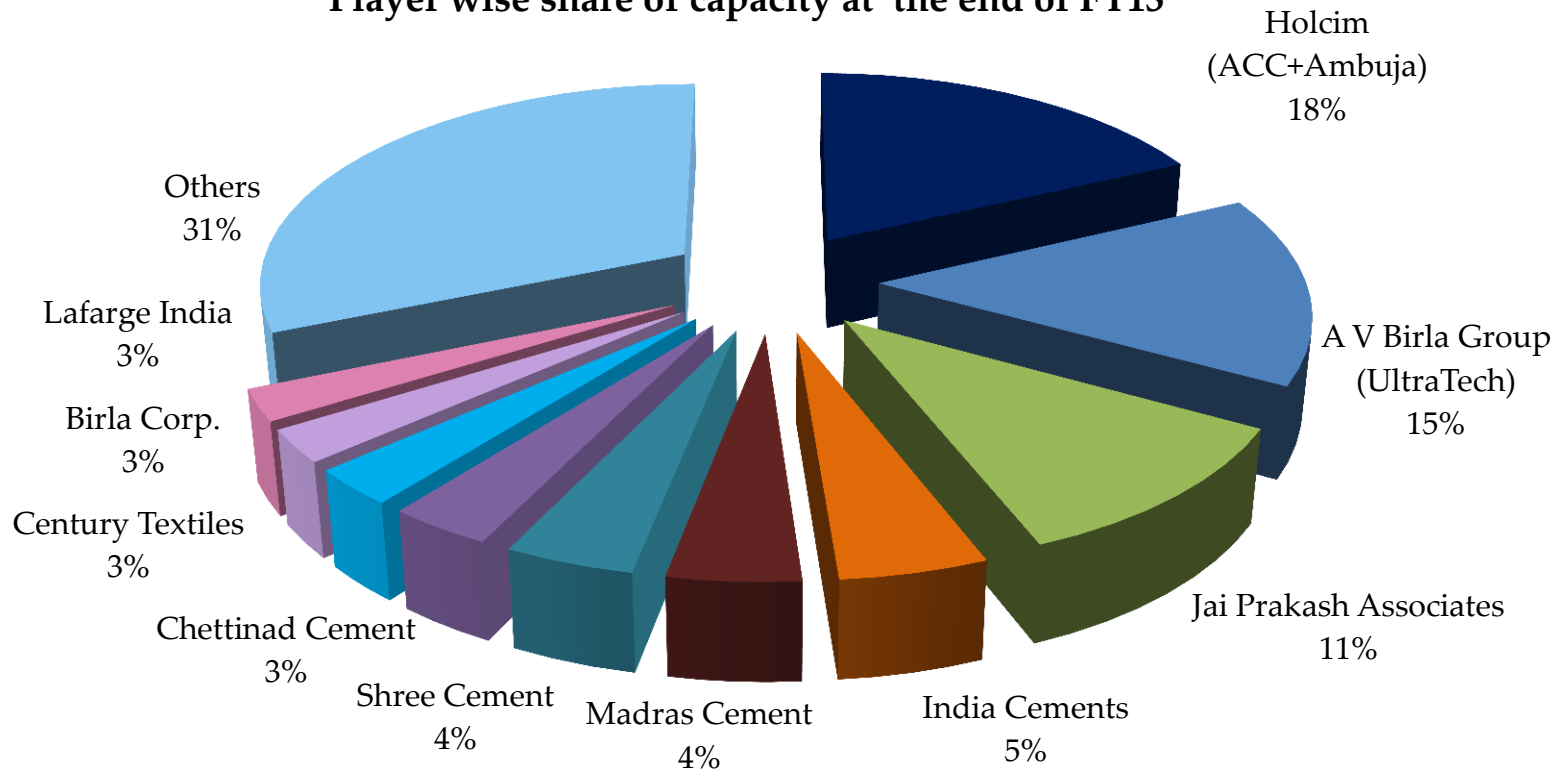
# Inter-Regional cement movement

## Inter-Regional movement (mn tonnes)

		Inbound	Outbound	Net
→	North	4.2	14.1	9.9
→	East	8.2	0.7	(7.5)
→	South	1.8	12.0	10.2
→	West	13.8	2.4	(11.4)
→	Centre	9.7	8.5	(1.2)

# Competitive Landscape

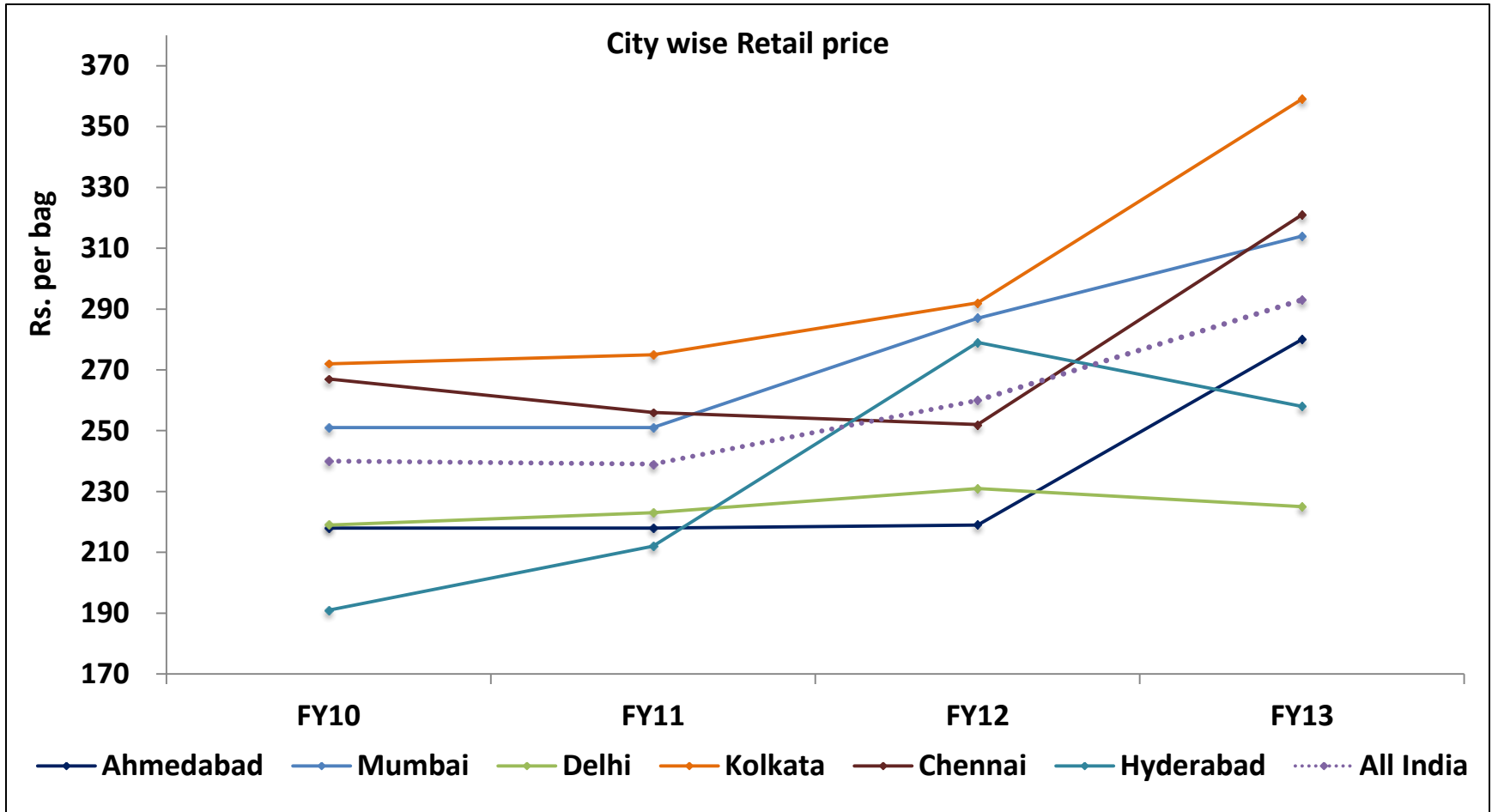
Player wise share of capacity at the end of FY13



# Industry Average- Cost & Margins

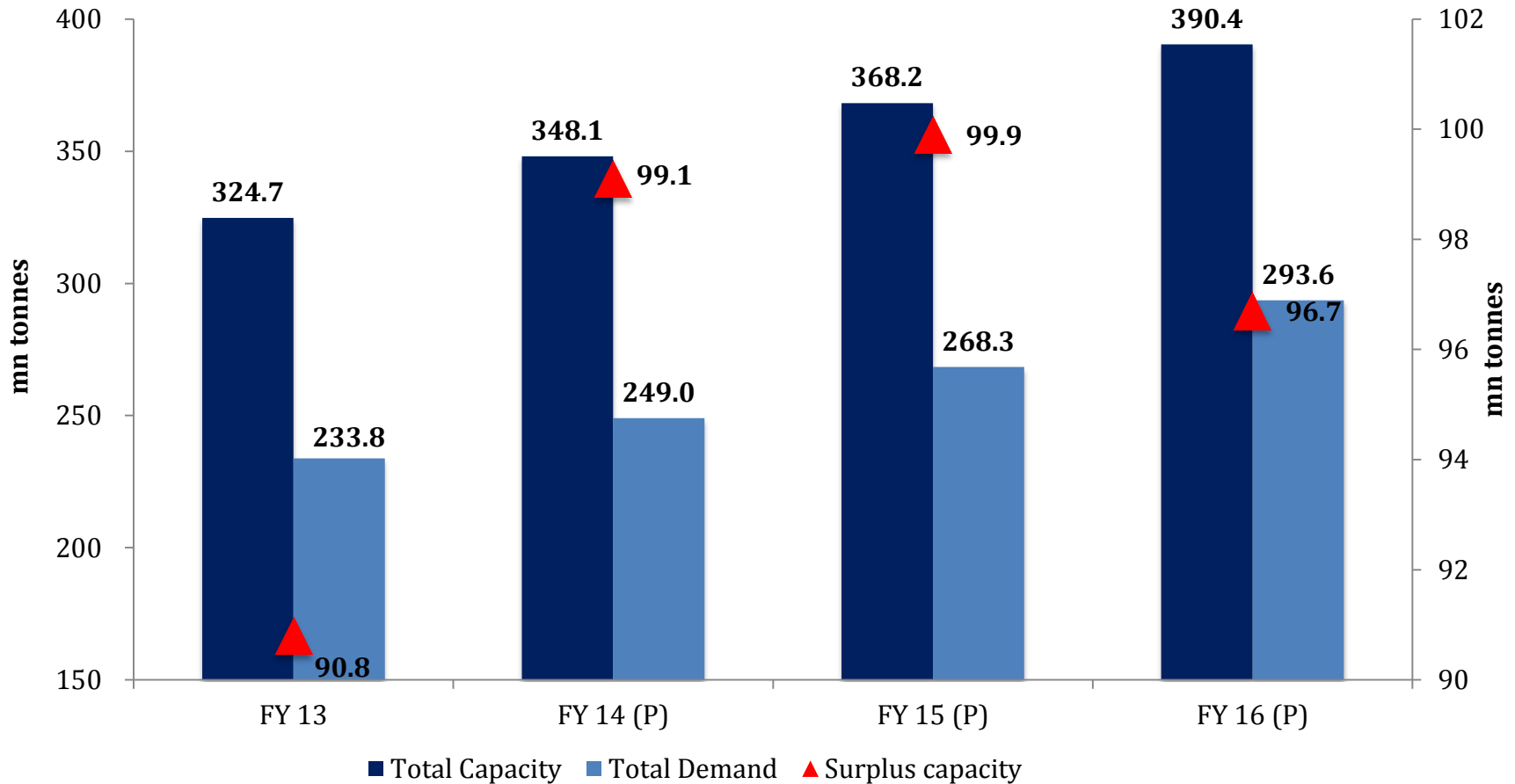
Trends in Industry averages					
	PAT Margin (%)	PBDIT Margin (%)	Freight cost (Rs. per tonne)	Power & fuel cost (Rs. per tonne)	Net Realisation (Rs. per tonne)
FY13	11.1	22.5	950	1,039	4,695
FY12	10.2	21.0	721	991	4,083
FY 11	8.8	20.0	700	908	3,611
FY10	15.1	29.4	622	801	3,698
FY09	14.8	27.8	582	896	3,659
FY 08	20.8	33.2	570	708	3,540

# Average cement prices



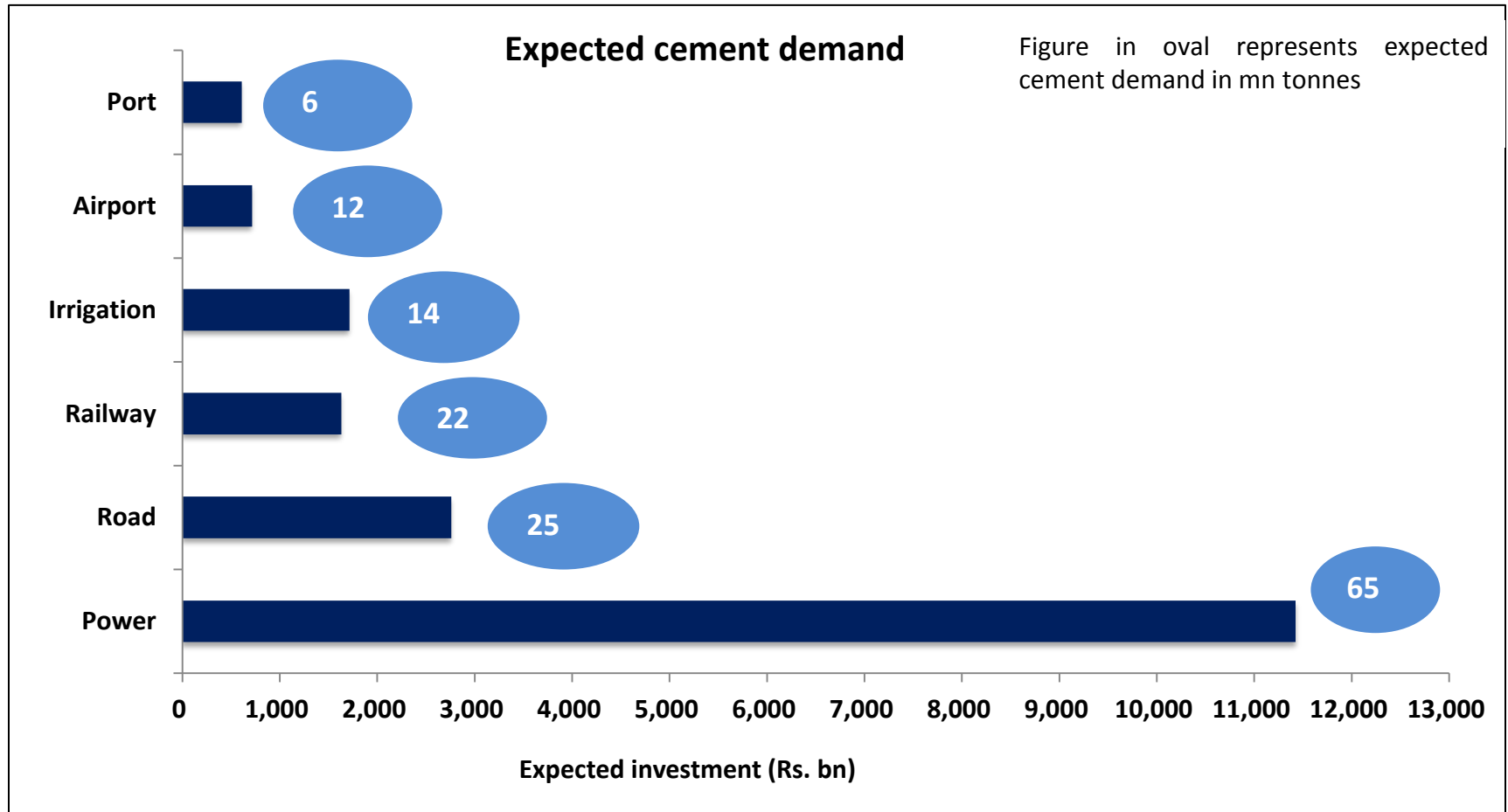
# Outlook

# Projected overall demand supply scenario

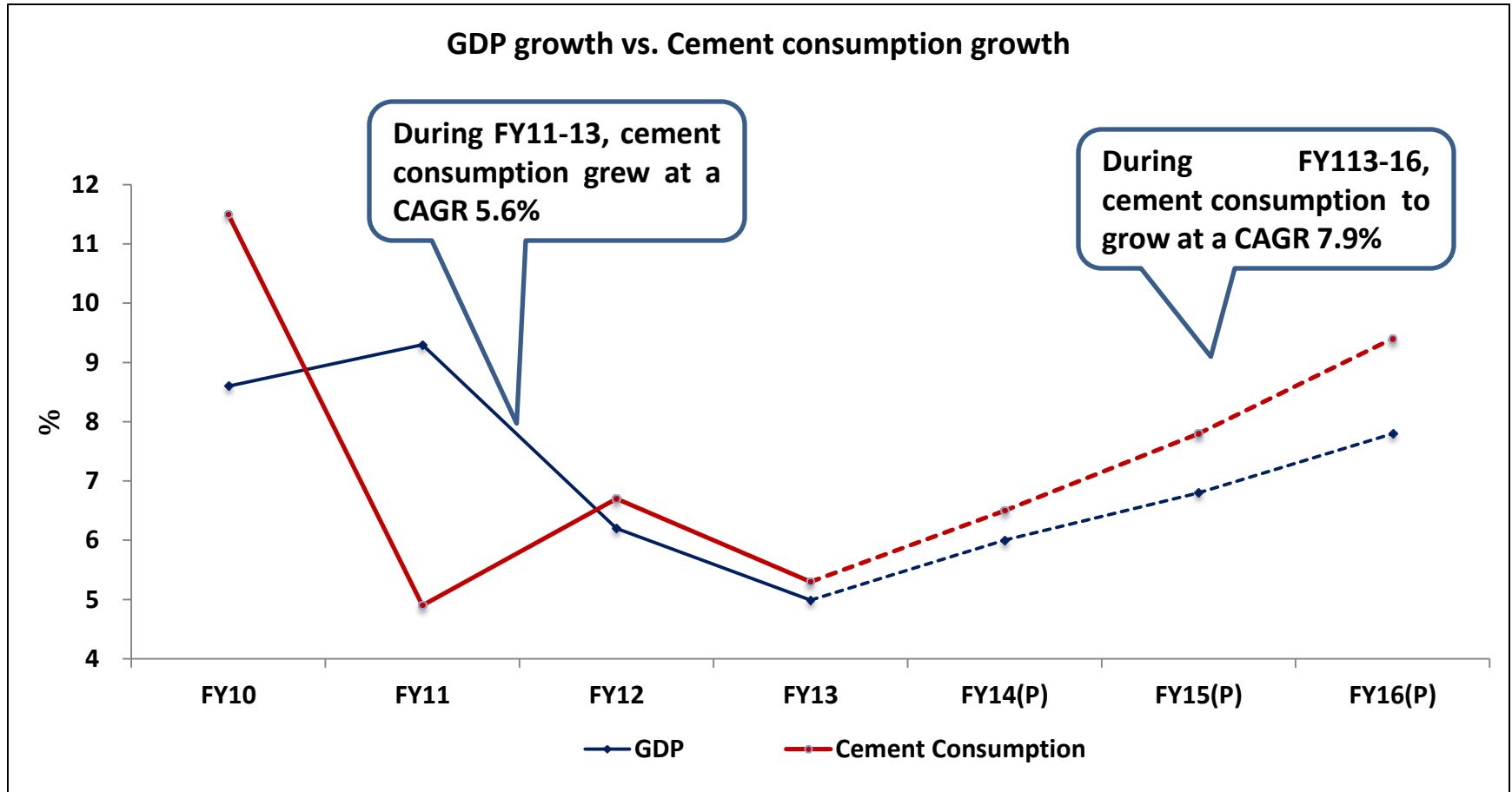




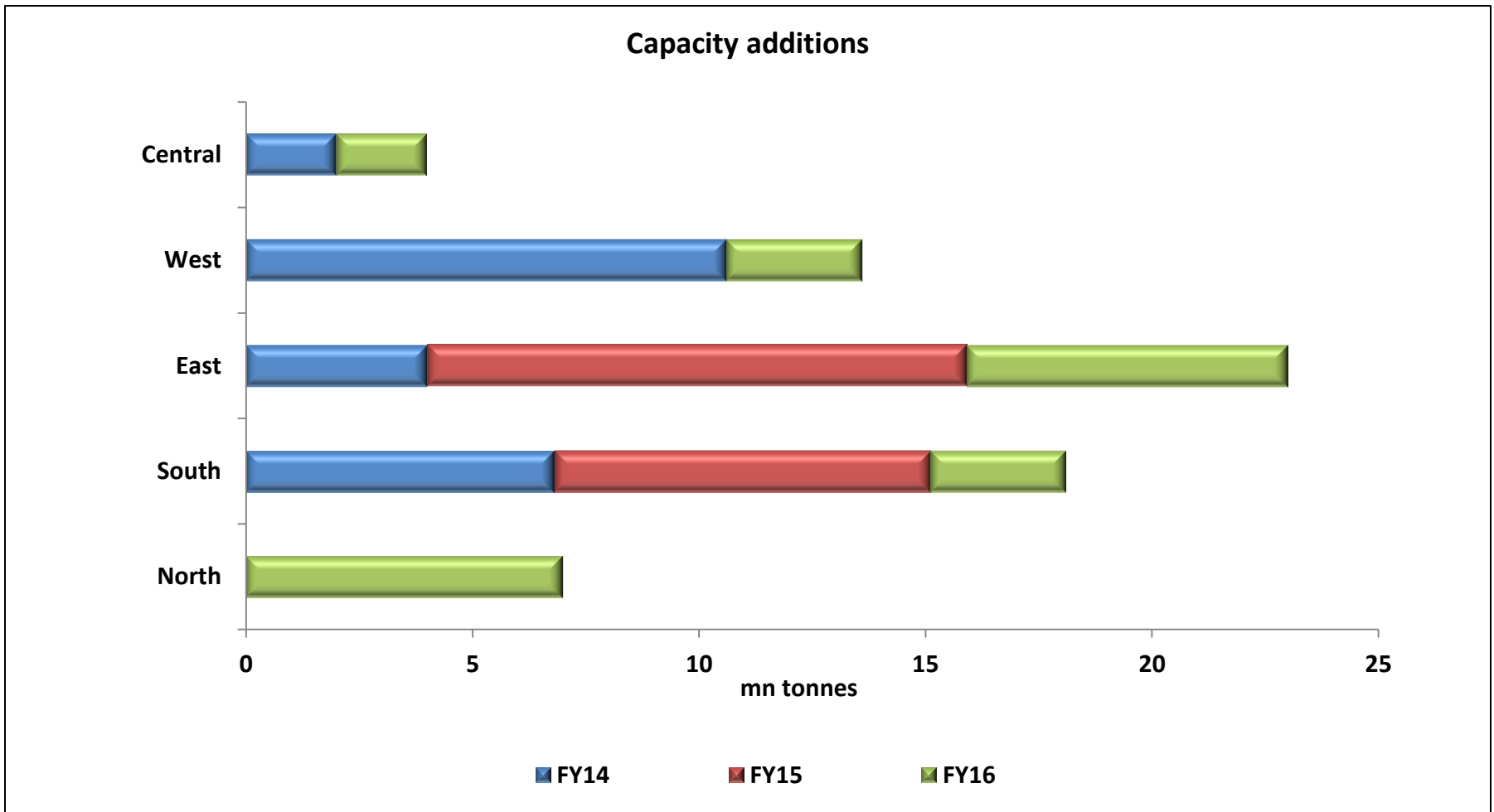
# Demand from infrastructure sector



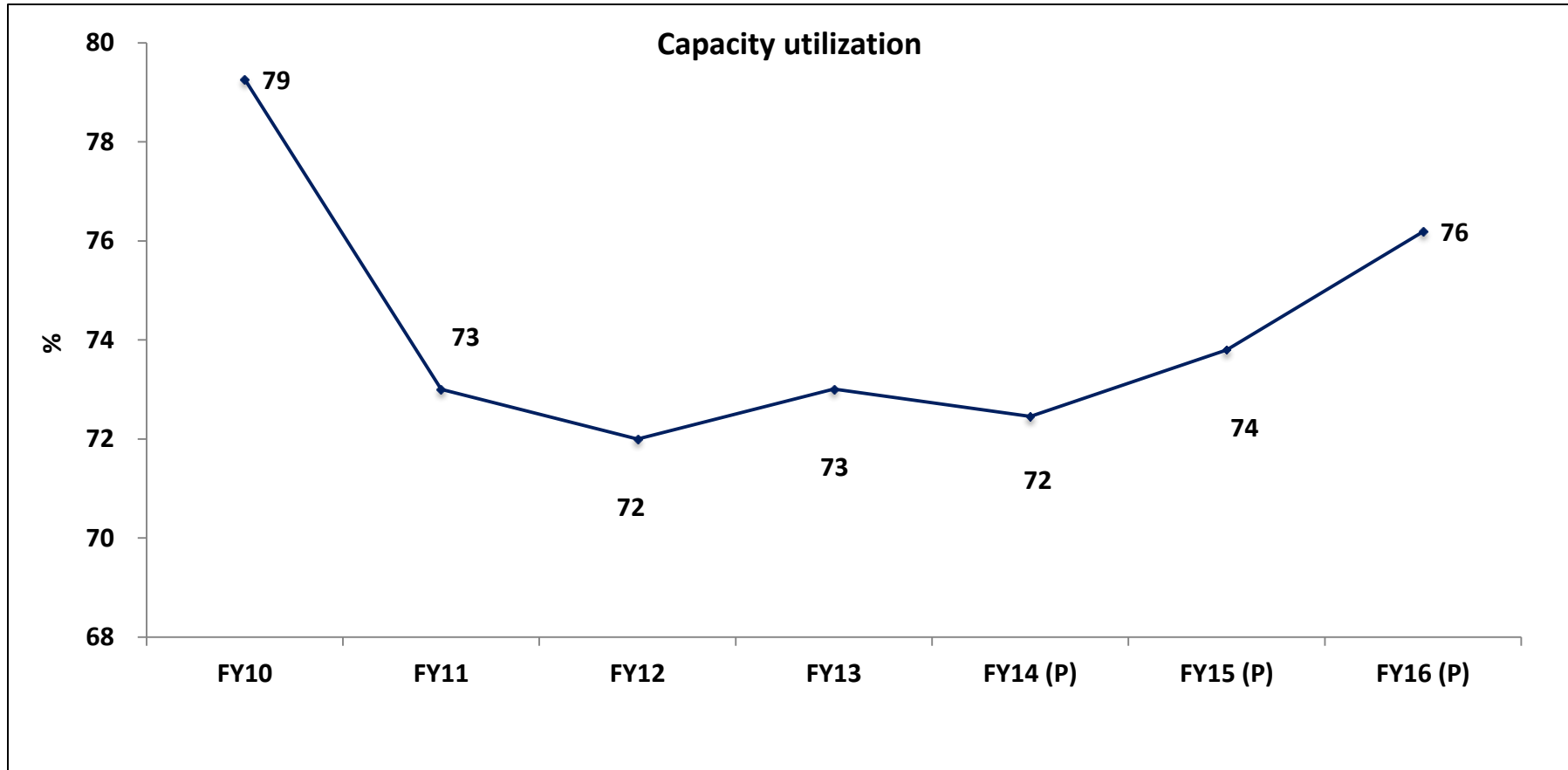
# Cement consumption to revive going ahead



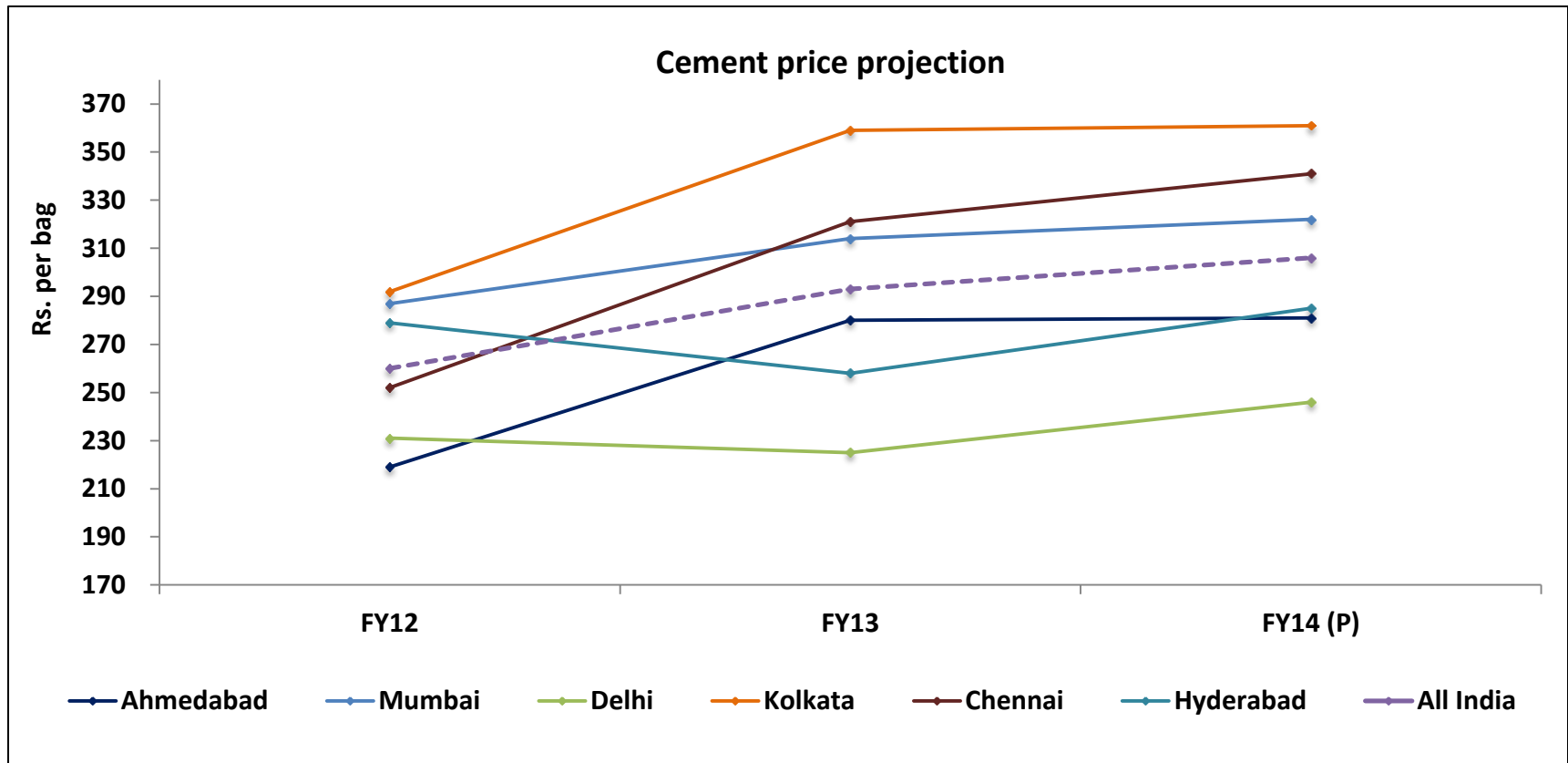
# Region wise capacity additions



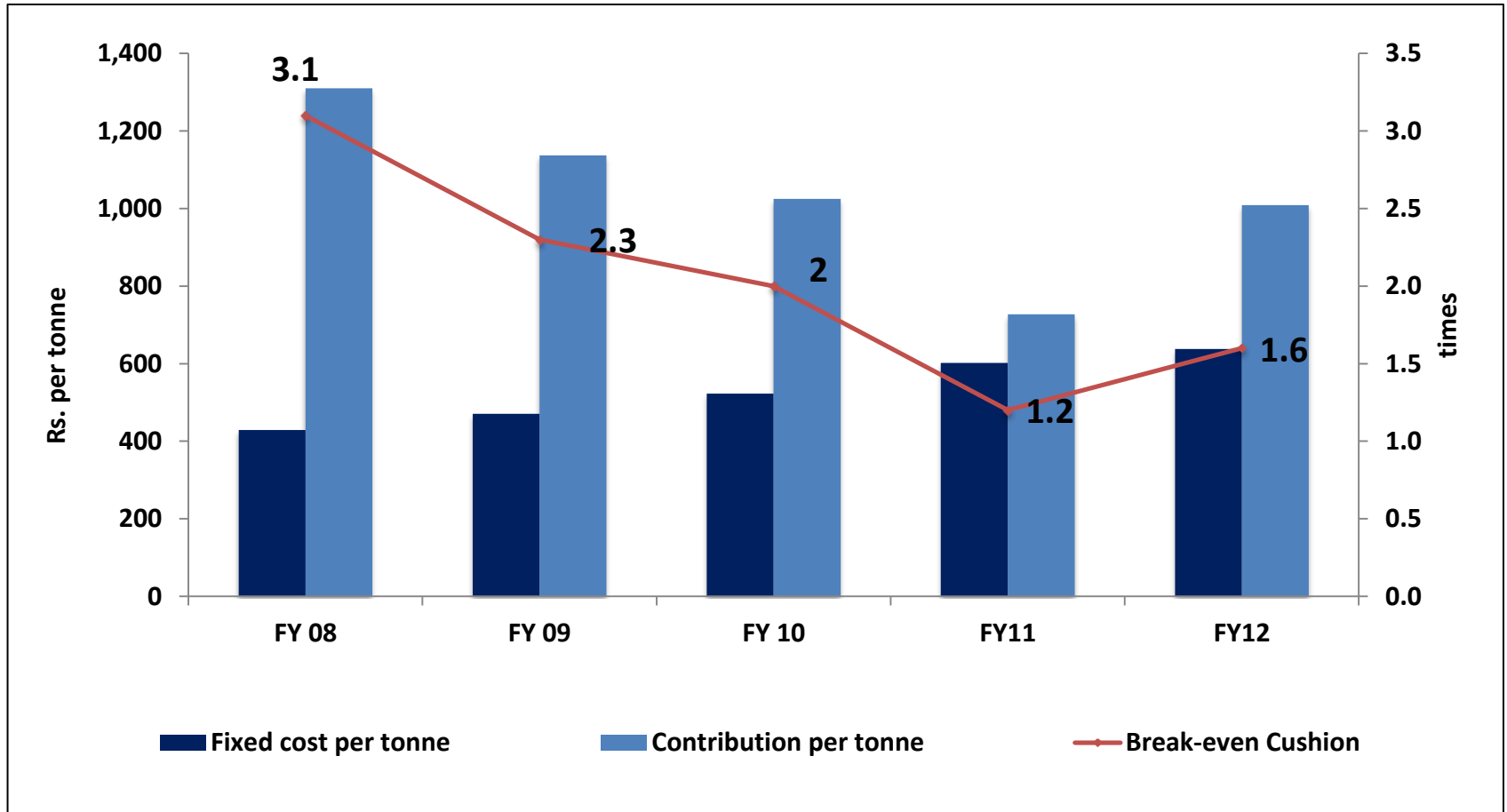
# Trends in utilization rate



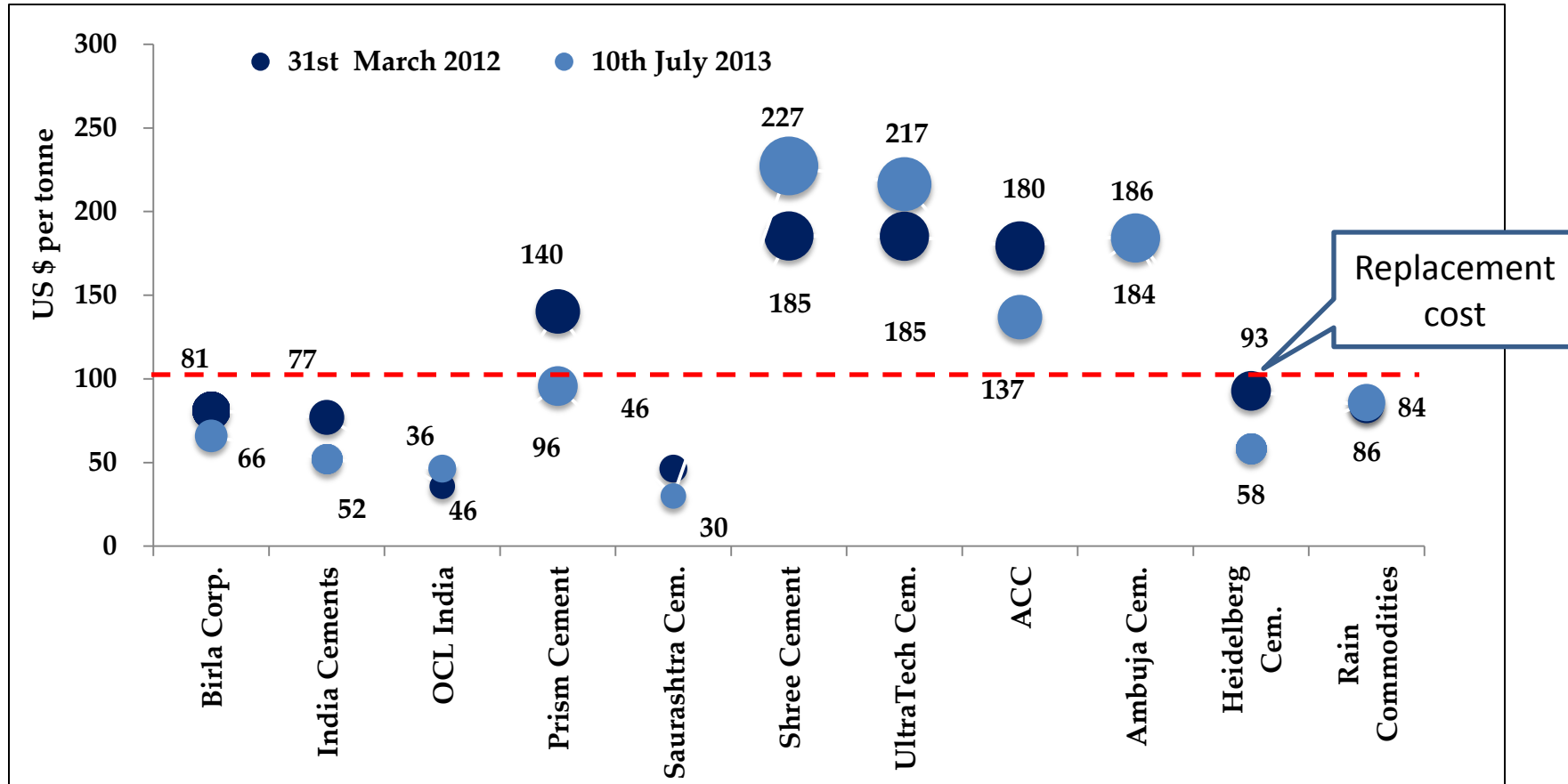
# Cement prices to remain elevated in FY14...



# Break even cushion



# Inorganic opportunity, is this the right time?



# In a nut shell

- Domestic cement demand is estimated to grow at a CAGR of 7.9 % in the period FY 13-16.
- Focus on infrastructure development and low cost housing to keep the long term demand for cement intact.
- Industry's operating rate is expected to increase to a level of 76% by the end of FY16.
- The cement prices are expected to remain elevated in FY14.
- PBDIT margin of the industry to remain under pressure in FY 14, due to higher Power & fuel and Freight costs.



# Thank you