

CRISIL Research:

Taking research to the next level



Research

CRISIL
An S&P Global Company

Macro to micro E-I-C-M

The website follows the Economy, Industry, Company and Capital Markets structure and can be navigated to from the left hand side of your screen

₹
Economy

Industry

Company

Markets



Rising incomes, new models, and stable fuel price expectations to script robust growth in near term

Lower effective tax rates post good and services tax (GST) are expected to partially offset raw material price increases in the cars and utility vehicles (UV) industry in 2017-18. The long term picture remains bright, given the current lower penetrat

[Read More >](#)

Cars and Utility Vehicles

Rising incomes, new models, and stable fuel price expectations to script robust growth in near term

Cotton Yarn

Oversupply and subdued demand scripts tighter margins for cotton yarn players

Telecom Services

Post-Jio onslaught, industry survivors pin revival hopes on soaring data usage and consolidation

Two Wheelers

Two-wheeler sales growth to rev up, exports to revive

Navigation for economy, company & markets

The economy section is divided into 5 sections i.e.

- Ecoview
- Data & statistics
- First cut
- Economy insights
- Thought corner

The company section has company profiles consolidated from all industries for easy access, you can search based on

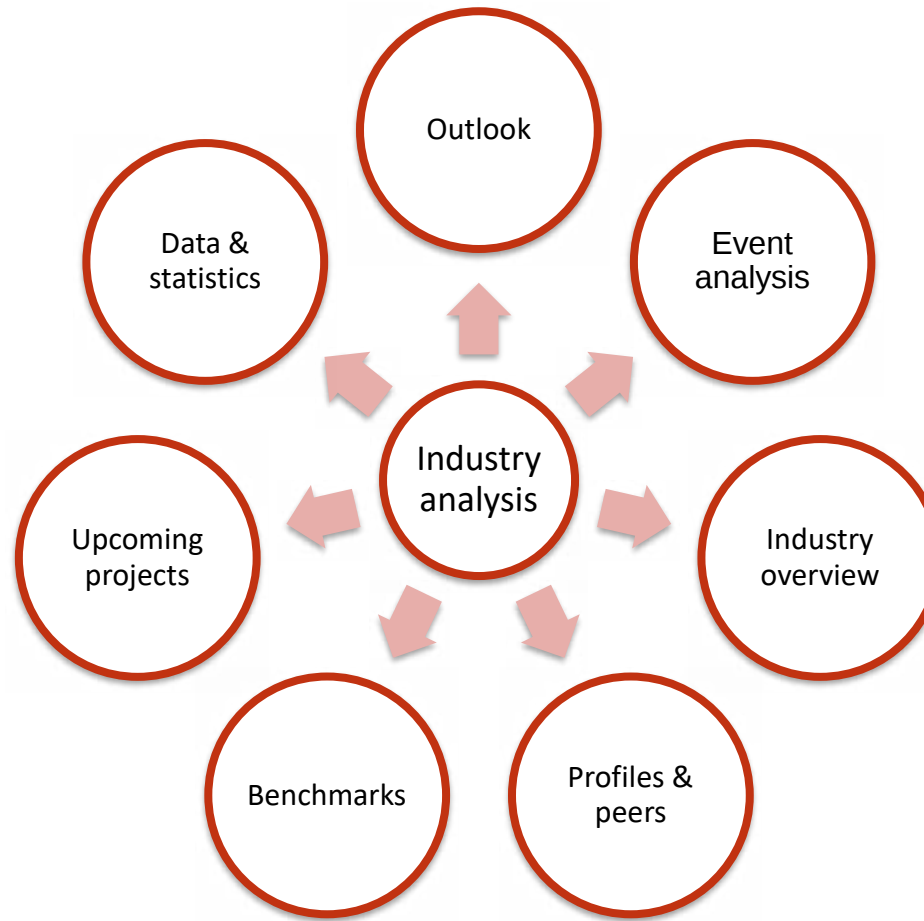
- Company name
- Industry
- Region of operations

The capital markets section broadly covers the following sections

- Fixed income
- Equity
- Mutual funds

Industry top navigation

The industry section is divided into 7 distinct sections, some of which may have subsections as well



Industry top navigation (expanded view)

Outlook	Event analysis	Industry overview	Profiles & peers	Data & statistics	Benchmarks	Upcoming projects
•Our view •Dashboard •Monthly review & outlook •Results corner •Thought corner •Thematic studies •Analyst	•Impact analysis •Latest news & analysis	•Overview •Demand & supply •Government regulations •Prices & profitability •Manufacturing process •Working capital analysis •Risk profile factors	•Company profiles •Peer comparison	•Operational data •Financial data •Ratings distribution & transition		

NOTE: All sectors will not have these sections/subsections

Our view → here you will find our 3-5 year outlook of the industry

The screenshot displays the CRISIL website interface. The top navigation bar includes links for 'Outlook', 'Event analysis', 'Industry Overview', 'Profiles & peers', 'Benchmarks', 'Upcoming projects', and 'Data and statistics'. The 'Our view' link is highlighted in red. A red arrow points to this link with the text 'Click to navigate to Our view'. The main content area features a section titled 'Midcycle slowdown for cement to 4.5-5.5% in FY20, margins to expand (touch six year high)'. A sidebar on the right contains a table of contents with links to 'Summary', 'Demand', and 'Supply'. A red arrow points to the 'Summary' link. The page also includes a search bar at the top and a left-hand navigation menu with options like 'Economy', 'Industry', 'Company', and 'Markets'.

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Search across industries, companies and more

Outlook Event analysis Industry Overview Profiles & peers Benchmarks Upcoming projects Data and statistics

Our view
Dashboard
Monthly review and outlook
Results corner
Analyst presentation

Click to navigate to Our view

Aug 30, 2019

Demand growth to moderate in FY20 after witnessing robust growth in consecutive fiscals. However, margins are expected to rebound led by rise in realisations as well as easing cost pressures.

Midcycle slowdown for cement to 4.5-5.5% in FY20, margins to expand (touch six year high)

Weak H1 to weigh on demand growth in fiscal 20

Cement demand is expected to grow at witness a slowdown to 4.5-5.5% in fiscal20 after witnessing robust growth of 12% and 9% registered in the past two fiscals. Demand growth will have the benefit of fresh government spending in first half

Summary
Demand growth to halve to 4.5-5.5% in FY20, margins to expand

Demand
Segment-Wise Demand
Midcycle slowdown in near term; recover in medium term
Region-Wise Demand
Growth moderation across regions in near term; East & Central regions to drive growth in medium term

Supply

Research

Used to navigate to various topics for our outlook on overall in industry(summary), demand, supply, etc.

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Dashboard → Single view of past numbers and our calls on all major parameters for each sector and their related sectors

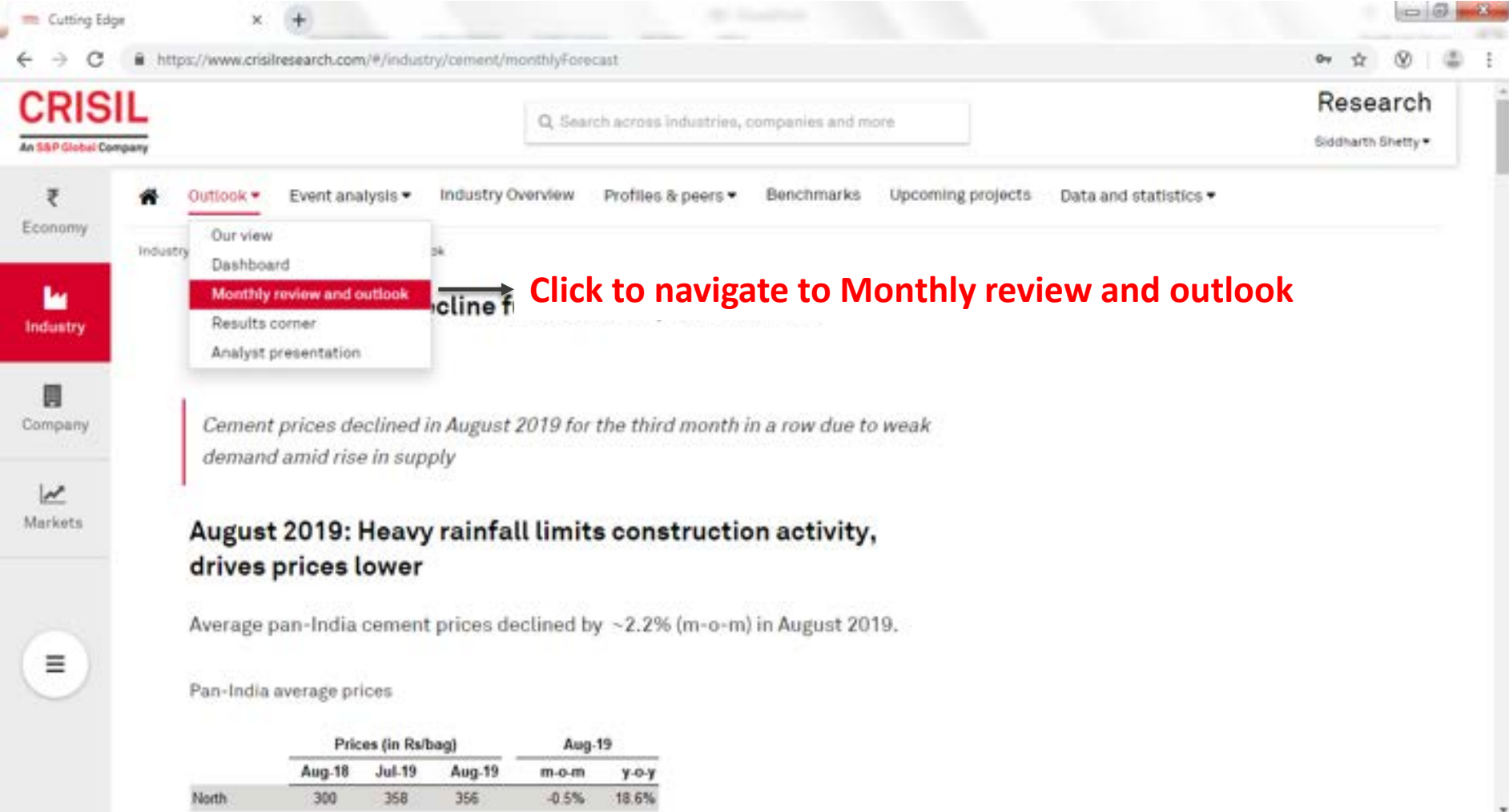
Click to navigate to Dashboard

Click to add more sectors.

Note: you can view numbers only for sectors you are subscribed to

Para	Unit	2015-16 A	2016-17 A	2017-18 A	2018-19 A	2019-20 F	2020-21 F	Trend Lines
Cement demand	million tonnes	299.0	274.0	299.0	335.0	351.0	376.0	
North	million tonnes	51.0	51.0	56.0	60.0	63.0	67.0	
South	million tonnes	59.0	63.0	69.0	80.0	84.0	92.0	
East	million tonnes	54.0	54.0	58.0	63.0	67.0	71.0	
West	million tonnes	65.0	66.0	70.0	82.0	85.0	89.0	
Central	million tonnes	40.0	41.0	46.0	50.0	53.0	57.0	
Installed capacity	million tonnes	430.0	457.0	475.0	496.0	522.0	544.0	
Cement prices	rupees per bag	323.0	325.0	334.0	331.0	355.0		
North	rupees per bag	274.0	295.0	302.0	301.0	348.0		
South	rupees per bag	348.0	341.0	358.0	353.0	374.0		
East	rupees per bag	294.0	290.0	318.0	316.0	339.0		
West	rupees per bag	385.0	361.0	353.0	334.0	349.0		
Central	rupees per bag	288.0	305.0	323.0	338.0	355.0		
Operating margins	per cent	16.4	19.9	18.7	17.1	20.2		

Monthly review and outlook → on parameters like price, demand and supply



The screenshot shows the CRISIL website interface. The 'Outlook' menu is open, and the 'Monthly review and outlook' option is highlighted. A red arrow points from this option to the text 'Click to navigate to Monthly review and outlook'.

Click to navigate to Monthly review and outlook

August 2019: Heavy rainfall limits construction activity, drives prices lower

Average pan-India cement prices declined by ~2.2% (m-o-m) in August 2019.

Pan-India average prices

	Prices (in Rs/bag)			Aug-19	
	Aug-18	Jul-19	Aug-19	m-o-m	y-o-y
North	300	358	356	-0.5%	18.6%

Results corner → glimpse on the industries performance over the last quarter and our expectations from the upcoming quarter

Click to navigate to Results corner

Commentary on the sectors performance in the last quarter

Commentary on the sectors expected performance for the upcoming quarter

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Search across industries, companies and more

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Outlook ▾ Event analysis ▾ Industry Overview ▾ Profiles & peers ▾ Benchmarks ▾ Upcoming projects ▾ Data and statistics ▾

Industry ▾
Our view
Dashboard
Monthly review and outlook
Results corner
Analyst presentation

Results preview: Q2 fiscal 2020
Sep 13, 2019

Read about the industry's expected performance over the quarter

Results preview (July-September 2019)

Large companies

Key financial indicators

	Q2 FY20E	Q2 FY19	Q1 FY20	Y-o-Y change	Q-o-Q change
Net sales (Rs. bn)	260.7	189.7	228.8	5.8%	-12.3%

Research

Analyst presentation → crisp presentation of the entire report (opens as a PDF in a popup)

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Industry ▾
Our view
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Analyst presentation

Aug 30, 2019

Back

Click to open analyst presentation

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Midcycle slowdown for cement to 4.5-5.5% in FY20, margins to expand (touch six year high)

Weak H1 to weigh on demand growth in fiscal 20

Cement demand is expected to grow at witness a slowdown to 4.5-5.5% in fiscal20 after witnessing robust growth of 12% and 9% registered in the past two fiscals.

1 Summary
Demand growth to halve to 4.5-5.5% in FY20, margins to expand

2 Demand
Segment-Wise Demand
Midcycle slowdown in near term; recover in medium term
Region-Wise Demand
Growth moderation across regions in near term; East & Central regions to drive growth in medium term

3 Supply

News → here you will find filtered news for your convenience

The screenshot shows the CRISIL website interface. The top navigation bar includes 'Outlook', 'Event analysis', 'Industry Overview', 'Profiles & peers', 'Benchmarks', 'Upcoming projects', and 'Data and statistics'. The left sidebar has 'Economy', 'Industry' (highlighted in red), 'Company', and 'Markets'. The main content area displays a list of news articles under the heading 'Latest News & Analysis'. The first article is titled 'High auction prices of limestone' and is dated Sep 25, 2019. The second article is 'Will high auction prices of limestone affect margins of cement makers?' dated Sep 25, 2019. The third article is 'Significant upside hinges on demand revival in cement industry: Analysts' dated Sep 24, 2019. The fourth article is 'Somany PF challenges at NCLAT sales of IL&FS Wind Energy assets at Orix Corporation' dated Sep 24, 2019. A red box highlights the 'Latest News & Analysis' link in the sidebar, and a red arrow points to it with the text 'Click to navigate to the news section'.

Research

Industry information → sections here help you get a basic understanding of the industry like the demand supply dynamics, risks, working capital requirements, manufacturing processes, regulations, etc.

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Outlook Event analysis **Industry Overview** Profiles & peers

Industry / Cement / Industry Overview

Overview
Deregulation in 1989 led to robust growth
Aug 26, 2019
The cement industry has come a long way since 1914 when the first cement plant was set up at Porbandar. In the past, the government's regulation restricted the growth of the Indian cement industry. The removal of these controls resulted in rapid progress in terms of new capacity creation and higher production, India is now the second largest producer of cement in the world....

Risk profile factors
Dependence on monsoon and volatility in fuel prices key risk factors for the industry
Dec 31, 2018

Demand & supply
Cement industry's demand dynamics closely related to construction sector
Aug 29, 2019
Demand for cement is closely related to growth in the construction sector and is primarily derived from growth in segments like housing (50-65 per cent), infrastructure (15-20 per cent), commercial construction (10-15 per cent) and industrial segments (5-10 per cent). Demand for cement has grown at a moderate pace during the last 5 years with moderate demand from the housing and infrastructure segments....

Prices and profitability
Energy, raw materials, freight account for majority of total cost of sales
Aug 29, 2019

Click on tiles to navigate to the respective sections articles

Research

Company profiles → business and financial information on companies across listed/unlisted space

The screenshot shows the CRISIL website interface. The top navigation bar includes 'Outlook', 'Event analysis', 'Industry Overview', 'Profiles & peers', 'Benchmarks', 'Upcoming projects', and 'Data and statistics'. The 'Profiles & peers' dropdown menu is open, showing 'Company profiles' and 'Peer comparison'. A red arrow points to 'Company profiles' with the text 'Click to navigate to the company profiles section'. Below this, the 'Company profiles' section is displayed, with tabs for 'Large companies', 'Mid-sized companies', and 'Small-sized companies'. A table lists companies and their regions. A red arrow points to 'JK Lakshmi Cement Ltd' with the text 'Click on a company to view it's business & financial profile'.

Company Name	Region
Shree Cement Ltd	Pan India
Ultratech Cement Ltd	Pan India
India Cements Ltd	Pan India
The Ramco Cements	
JK Lakshmi Cement Ltd	
Birla Corporation Ltd	
Ambuja Cements Ltd	
JK Cement Ltd	
Dalmia Bharat Ltd	South
ACC Ltd	Pan India

Peer comparison → what differentiates the outperformers or what encumbers laggards in the industry

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Outlook Event analysis Industry Overview **Profiles & peers** Benchmarks Upcoming projects Data and statistics

Company profiles
Peer comparison

Profitability varies vastly from player to player
Dec 31, 2018

Share of top 5 players in the industry has grown to ~50% led by consolidation and higher organic growth by large players. Driven by foray into value-added products such as RMC and white cement, the industry has diversified a little. Except for a few, cement players don't have any meaningful share of revenues from segments other than cement. Given the sharp variation in gearing ratios and profitability, financial flexibility varies sharply with most large players enjoying moderate to strong financial flexibility.

Recent consolidation spree has led to top 5 players' share in capacity increase to ~45%
Capacities of large players

Click to navigate to peer comparison

Benchmarks → on project costs, operating costs, pricing and realisations, including the reasons for most common variations

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Outlook Event analysis Industry Overview Profiles & peers **Benchmarks** Upcoming projects Data and statistics

Industry / Cement / Benchmarks

Plant and Machinery is the largest component of project cost

Dec 31, 2018

The cost of setting up a cement plant varies significantly between integrated plants and split grinding units. Besides, the nature of the plant, greenfield or brownfield, is an important factor influencing project cost. Setting up of a cement plant is a complex process spanning 4-6 years and involves multiple regulatory approvals. The complexities associated with setting up a cement plant has increased in last few years, due to issues in land acquisition and securing the supply of limestone (key raw material) and coal (the major fuel used by the industry) owing to regulatory changes.

Plant and machinery form largest cost component of a cement plant

- 1 New project
Plant and Machinery is the largest component of project cost
- 2 Prices & realisations
Trade prices are higher than non-trade prices
- 3 Operating costs
Consists work in cement work

Click to navigate to Benchmarks

Used to navigate to various industry benchmarks for new projects, prices & realisations and operating costs

Research

Data & statistics → on financials of the industry and companies, operational parameters and ratings information

Financial Data

https://www.crisilresearch.com/#/industry/cement/financial

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₹ Economy

Industry

Company

Markets

Outlook ▾ Event analysis ▾ Industry Overview ▾ Profiles & peers ▾ Benchmarks ▾ Upcoming projects ▾ Data and statistics ▾

Industry / Cement / Financial data

Aggregate Financials

Cement
Sep 9, 2019

Click to view the industries aggregate financials

Search published data

Century Textiles & Ind Ltd
Sep 18, 2019

Jaiprakash Associates Ltd
Sep 18, 2019

Dalmia Bharat Ltd
Sep 18, 2019

Kalyanpur Cements Ltd
Sep 18, 2019

Deccan Cements Limited
Sep 18, 2019

Click on a company to view it's financial details

Financial data
Operational data
Ratings distribution & transition

Monthly
Quarterly
Annual

Reset

Click to navigate to Financial data

Data & statistics → on financials of the industry and companies, operational parameters and ratings information

Operational Data

https://www.crisilresearch.com/#/industry/cement/operational

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Industry

Company

Markets

Outlook Event analysis Industry Overview Profiles & peers Benchmarks Upcoming projects Data and statistics

Industry / Cement / Operational data

Latest published

Actual prices | Region-wise annual actual price trend
Sep 20, 2019

Annual | Region wise demand - supply
Sep 19, 2019

Actual prices | Region-wise monthly actual price trend
Sep 6, 2019

Actual prices | City-wise monthly actual price trend
Sep 6, 2019

Operating metrics Q1 FY20
Sep 6, 2019

Search published data

Actual prices | City-wise monthly actual price trend
Sep 6, 2019

Click to view the respective operational parameters data

Click to navigate to Operational data

Financial data
Operational data
Ratings distribution & transition

Monthly
Quarterly
Annual
REGION
Global
Domestic

Company

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Data & statistics → on financials of the industry and companies, operational parameters and ratings information

The screenshot shows the CRISIL website interface. The main navigation bar includes links for Outlook, Event analysis, Industry Overview, Profiles & peers, Benchmarks, Upcoming projects, and Data and statistics. The 'Data and statistics' dropdown menu is open, highlighting 'Ratings distribution & transition'. The main content area displays the 'Long term rating summary' for the Cement industry, featuring a table of rated entities and a detailed text summary of rating changes.

Rating Summary

Recent Rating Actions Outstanding Ratings

Long term rating summary

Rated Entities

	Aug-19	Aug-18
★	22	24

Rated Amount

	Aug-19	Aug-18
₹	293.2 (In Rs. Billion)	309.7 (In Rs. Billion)

Median Rating

	Aug-19	Aug-18	Universe Aug-19
Median Rating	A	BBB	BB

Weighted avg Rating

	Aug-19	Aug-18	Universe Aug-19
Weighted avg Rating	AAA	AAA	AAA

During last one year, ratings for 2 companies, with an outstanding amount of Rs. 34 million were downgraded, no ratings were upgraded during the period under consideration. The share of ratings with a negative outlook increased from 11% to 17% over the last year

Click to navigate to Ratings data

Key contacts

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Thank you

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