30 June 2025

INDIA | INFRASTRUCTURE | COVERAGE INITIATION

JM FINANCIAL

Ajax Engineering

To ride the wave of mechanization; growth to remain concrete

Market leader in SLCM with 75% share; expanding non-SLCM share

To ride the wave of mechanization

Initiate with BUY and price target of INR 770

JM Financial Institutional Securities Limited

Ajax Engineering | BUY

To ride the wave of mechanisation; growth to remain concrete

Vaibhav Shah
vaibhav.shah@jmfl.com | Tel: (91 22) 66303068
Parth Thakkar
parth.thakkar@jmfl.com | Tel: (91 22) 61781879

Ajax Engineering (Ajax) is a leading concrete equipment manufacturer with a comprehensive range of concrete equipment, services and solutions across concrete application value chain. Since its inception in 1992, Ajax has a comprehensive product portfolio of SLCM (Self Loading Concrete Mixer) and batching plants for concrete production, transit mixers for concrete transportation, boom pumps, concrete pumps and self-propelled boom pumps for placement of concrete, slip-form pavers for paving of concrete and 3D concrete printers for depositing concrete. It is one of the largest SLCM manufacturers globally and market leader in India with c.75% market share. Increasing share of mechanisation given its benefits over manual mixing will drive industry growth. We like Ajax given its leadership in the fast growing SLCM market, comprehensive product portfolio, strong management pedigree, strong in-house design, development and engineering capabilities, lean balance sheet and superior return ratios. We expect EPS growth of 16% CAGR over FY25-28E. We value Ajax at 25x Jun'27 EPS to arrive at a target price of INR 770. We initiate with BUY.

- **Industry outlook robust backed by rise in mechanisation:** India's concrete consumption is expected to grow at 8% CAGR over FY24-29E led by rising construction activity. Concrete is produced through manual and mechanised methods, with manual accounting for c.75% share in the country. Mechanised methods offer benefits such as consistent quality, improved efficiency, cost savings, and greater adaptability and could contribute c.41% of total concrete consumption by FY29E (vs. 17%/25% in FY19/24).
- **Market leader in SLCMs; expanding non-SLCM portfolio:** Ajax offers a comprehensive range of 141 equipment variants across the concrete application value chain. In the last decade, it has sold 33k+ units including 30k SLCMs. As of FY25, its dealer network comprised of 51 dealers across 22 states in India, and the company is accessible to its customers through 111 touch points. Ajax is the market leader in SLCMs in India with 75% market share. It is also expanding its non-SLCM portfolio, which saw revenue growth of 22% CAGR over FY22-25.
- **Margins to moderate amid transition; EPS growth robust at 16% over FY25-28E:** The new CEV-5 emission norms have been introduced in India in Jan'25 and Ajax is undergoing a transition. Gross margin is likely to fall by 150-200bps due to cost increase, which will be partly absorbed by Ajax. Given the operating leverage and other cost-saving measures, EBITDA margin will dip by 50-100bps. NWC (ex-cash) has risen to 44 days in FY25 amid transition and is expected to normalise in FY27E. Backed by strong revenue growth of 15% CAGR, we expect EPS growth of 16% CAGR over FY25-28E.
- **Initiate coverage with BUY and price target of INR 770:** We like Ajax given its leadership position in fast growing SLCM market, comprehensive product portfolio, strong in-house design, development and engineering capabilities, strong management pedigree, lean balance sheet and superior return ratios. We expect EPS growth of 16% CAGR over FY25-28E. Currently, Ajax is trading at 21x/18x FY27/28E EPS. Among all peers, Action Construction (ACE) is closest to Ajax and is currently trading at 28x/26x FY27/28E consensus EPS. Given the larger trading history for ACE, we value Ajax at a slight discount at 25x June-27 EPS to arrive at a target price of INR 770. We initiate coverage with BUY.

Recommendation and Price Target	
Current Reco.	BUY
Current Price Target (12M)	770
Upside/(Downside)	21.8%
Change	NA

Key Data – AJAXENGG IN	
Current Market Price	INR632
Market cap (bn)	INR71.9/US$0.8
Free Float	20%
Shares in issue (mn)	114.4
Diluted share (mn)	114.4
3-mon avg daily val (mn)	INR223.5/US$2.6
52-week range	757/549
Sensex/Nifty	84,059/25,638
INR/US$	85.5

Price Performance			
%	1M	6M	12M
Absolute	-4.6	0.0	0.0
Relative*	-7.6	0.0	0.0

* To the BSE Sensex

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	17,414	20,739	23,870	27,544	31,792
Sales Growth (%)	51.3	19.1	15.1	15.4	15.4
EBITDA	2,755	3,181	3,341	3,997	4,615
EBITDA Margin (%)	15.8	15.3	14.0	14.5	14.5
Adjusted Net Profit	2,251	2,601	2,812	3,374	3,970
Diluted EPS (INR)	19.7	22.7	24.6	29.5	34.7
Diluted EPS Growth (%)	65.7	15.5	8.1	20.0	17.7
ROIC (%)	28.9	26.6	24.7	28.0	31.7
ROE (%)	27.6	24.8	21.7	21.0	20.1
P/E (x)	NA	26.5	25.7	21.4	18.2
P/B (x)	NA	6.0	5.0	4.2	3.3
EV/EBITDA (x)	NA	21.4	20.9	16.7	13.8
Dividend Yield (%)	NA	-	-	-	-

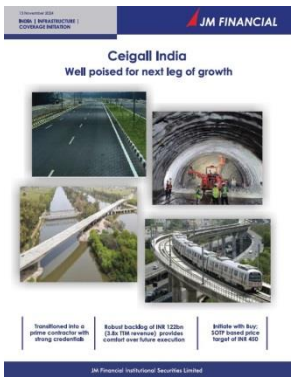
Source: Company data, JM Financial. Note: Valuations as of 30/Jun/2025

RJM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

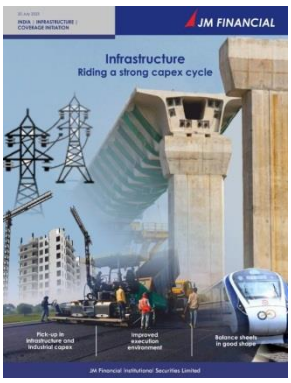
Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Table of Contents	Page No.
Focus Charts	4
Investment Thesis	6
Valuation	15
Industry Overview	18
Business Analysis	24
Financial Analysis	27
Key Risks	31
Company Overview	33
Financials	37

RELATED REPORTS



Ceigall India

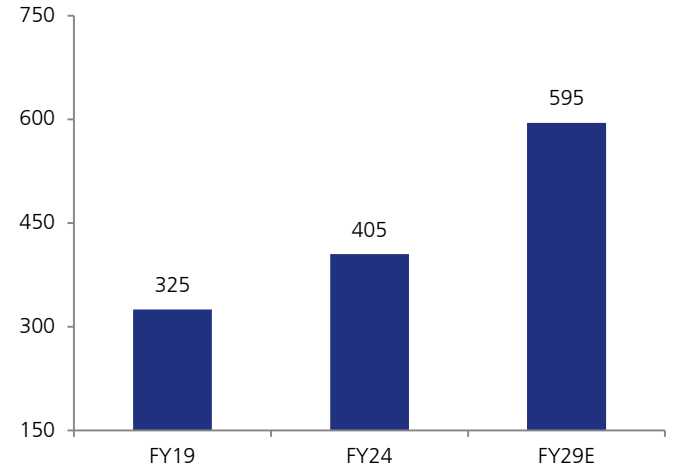


Infrastructure: Riding a strong capex cycle

Infrastructure Monthly

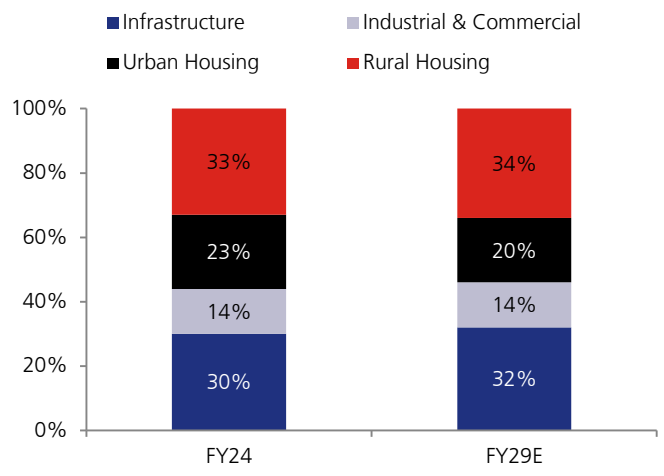
Focus Charts

Exhibit 1. Domestic cement consumption in India (mt)



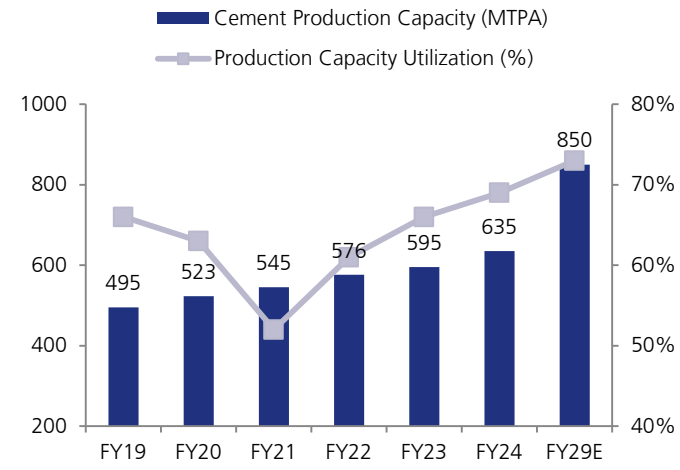
Source: Company

Exhibit 2. Segmental consumption of cement



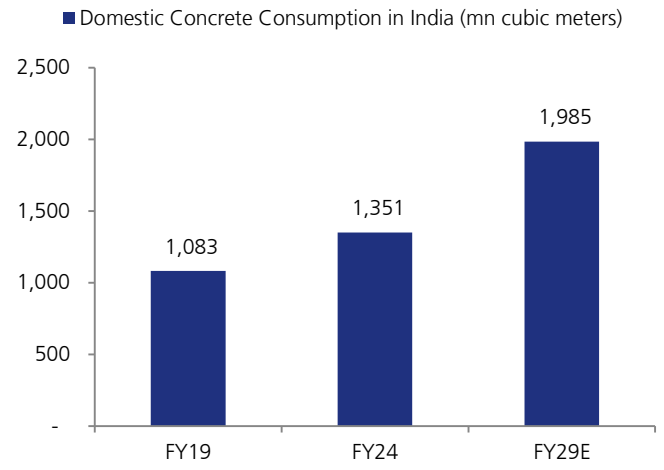
Source: Company

Exhibit 3. Cement production and utilisation in India



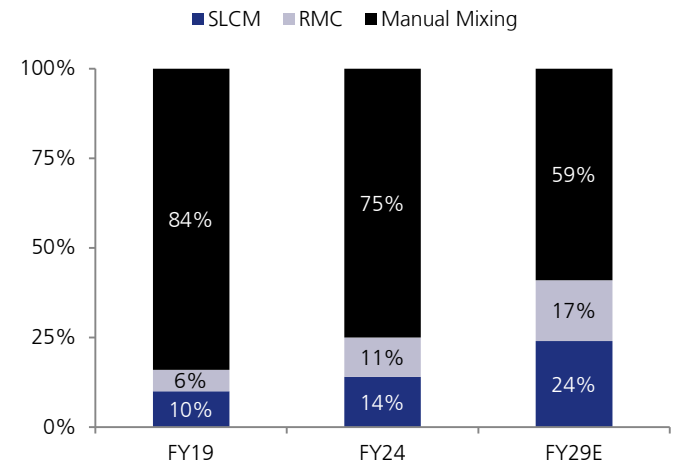
Source: Company

Exhibit 4. Domestic concrete consumption in India (mn cubic meters)



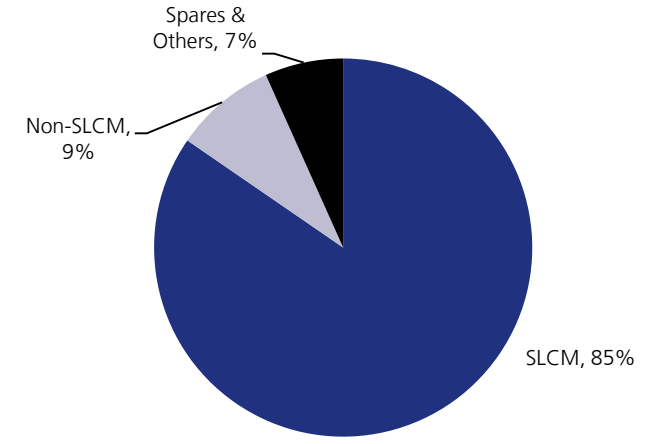
Source: Company

Exhibit 5. Rise in domestic consumption of concrete through SLCM



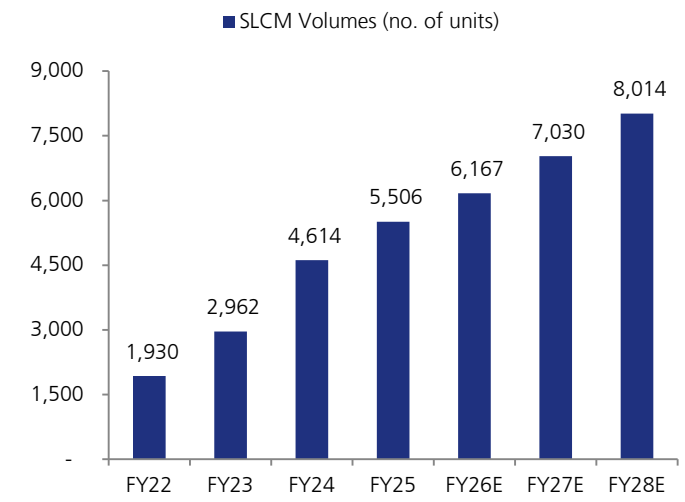
Source: Company

Exhibit 6. SLCM accounts for 85% of Ajax's FY25 revenue



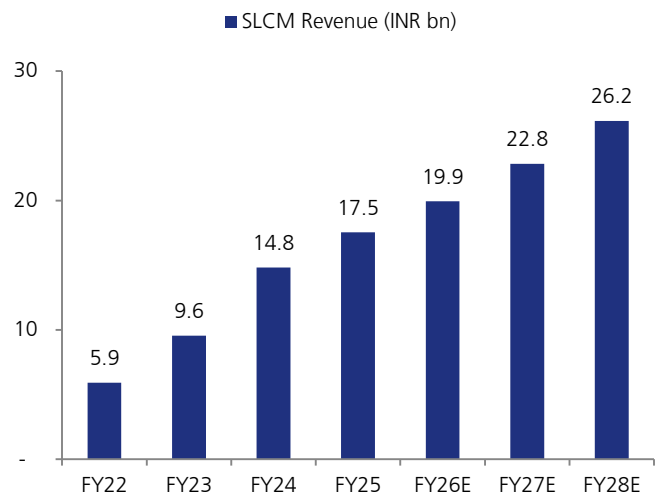
Source: Company, JM Financial

Exhibit 7. SLCM volume to grow at 13% CAGR over FY25-28E



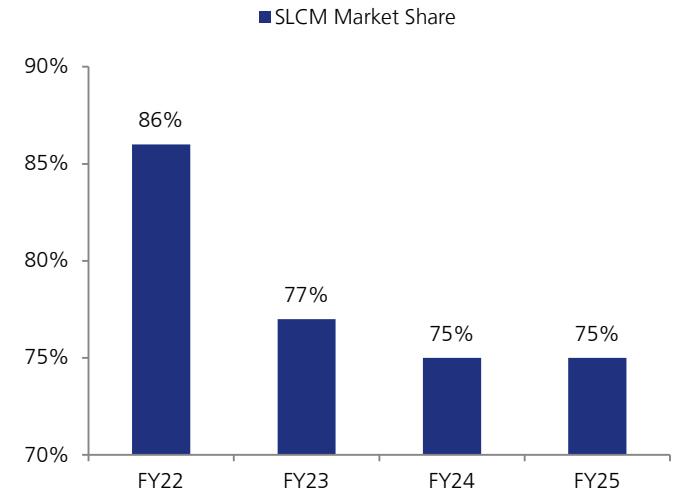
Source: Company, JM Financial

Exhibit 8. SLCM revenue to grow at 14% CAGR over FY25-28E



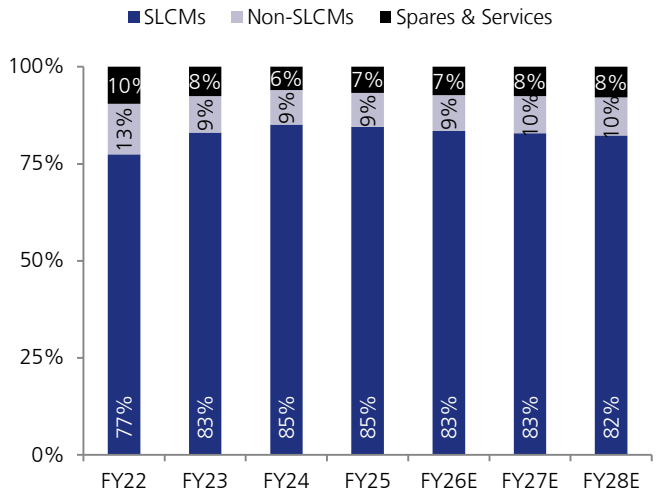
Source: Company, JM Financial

Exhibit 9. Ajax's market share in SLCM market in India at 75%



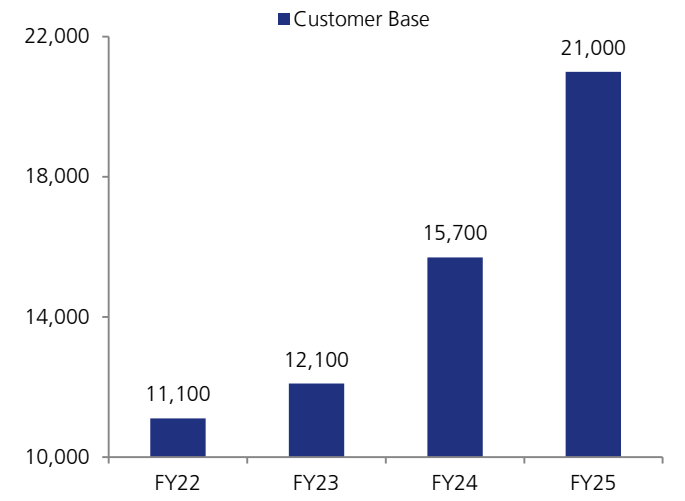
Source: Company, JM Financial

Exhibit 10. Segmental revenue mix



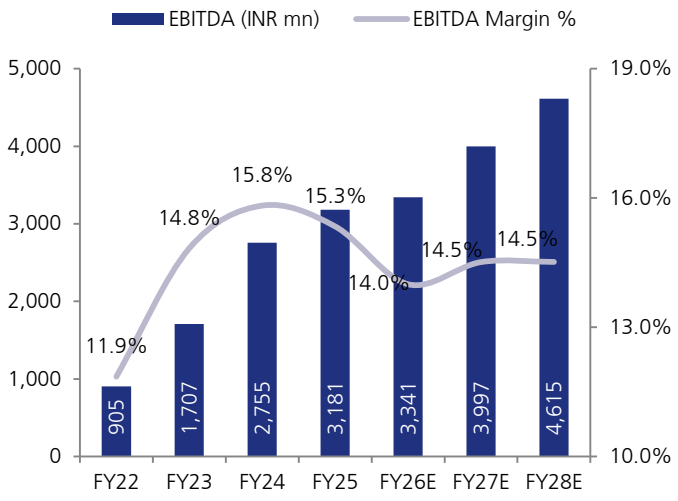
Source: Company, JM Financial

Exhibit 11. Ajax has served 21,000+ customers till date



Source: Company, JM Financial

Exhibit 12. EBITDA margin to stabilise at 14.5% in FY27/28E



Source: Company, JM Financial

Investment Thesis

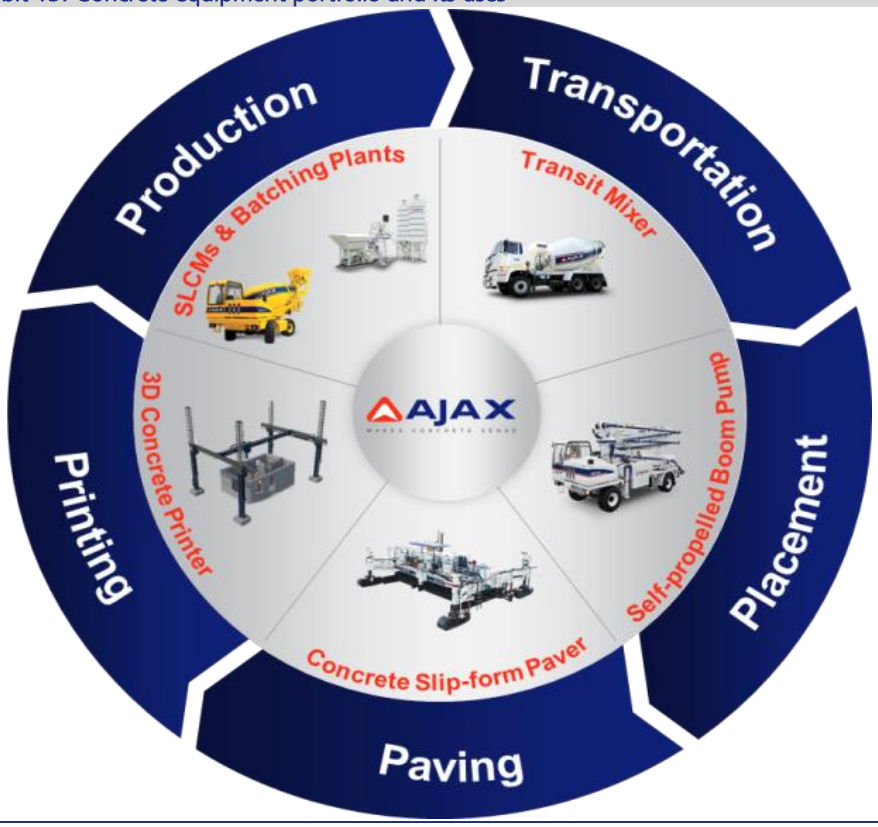
Market leader in SLCMs; growth to sustain led by mechanisation

- **Presence across concrete application value chain:** Ajax is a leading concrete equipment manufacturer with a comprehensive range of concrete equipment, services and solutions across the concrete application value chain. Over the years, Ajax has developed over 141 concrete equipment variants catering to the concrete application value chain, and over the last 10 years it has sold over 33k+ concrete equipment in India (including 30k+ SLCMs). Since its inception in 1992, Ajax has developed a comprehensive product portfolio that includes equipment such as SLCMs (self-loading concrete mixers) and batching plants for the production of concrete, transit mixers for the transportation of concrete, boom pumps, concrete pumps and self-propelled boom pumps for the placement of concrete, slip-form pavers for the paving of concrete and 3D concrete printers for depositing concrete. It is one of the three largest manufacturers of SLCMs in the world, and had c.75% market share in FY25 in the SLCM market in India in terms of number of SLCMs. The company was co-founded by Mr Krishnaswamy Vijay, its chairman and whole-time director, the late Jacob John and the late Anil Kumar Singh, and its core ethos has been to design, develop and engineer innovative and high-quality concrete equipment for its customers. As of Mar-25, its in-house design, engineering, and development team includes 70 full-time employees.

Ajax's concreting equipment has diverse use cases and is deployed across:

- **Transportation projects** such as roads, railway lines, underground tunnels, elevated tracks, flyovers and bridges.
- **Irrigation projects** such as reservoirs, canals, check dams and aqueducts.
- **Infrastructure projects** involving landscaping, drainage and construction of airports, foundation of solar panels in solar energy projects, power plants, factories, and oil and gas terminals, among others.

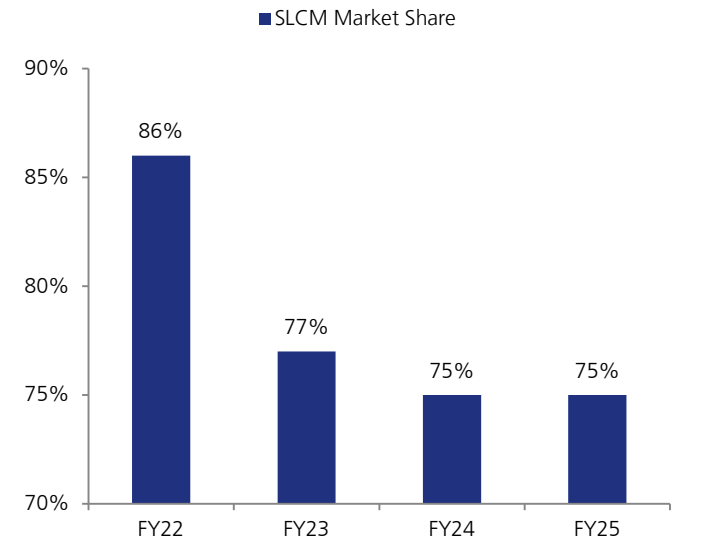
Exhibit 13. Concrete equipment portfolio and its uses



Source: Company, JM Financial

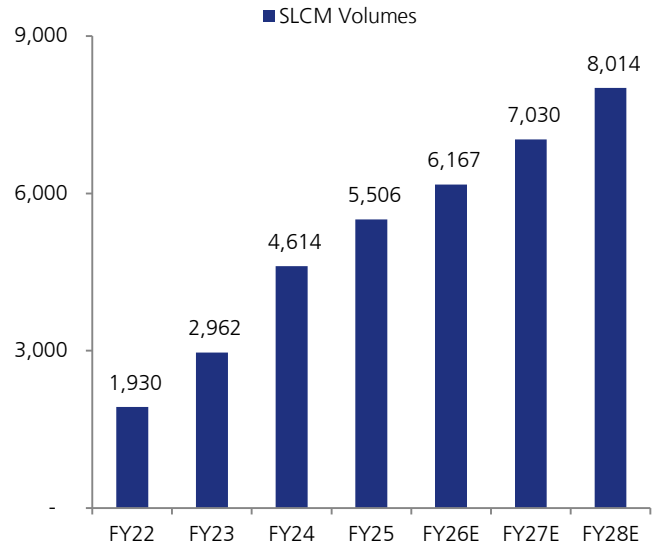
- **Market leader in fast-growing SLCM market:** Ajax is one of the three largest manufacturers of SLCMs in the world, with market share of 75% currently in India. Its SLCMs have a diverse range of applications and end-uses and are used pan-India. During the last 10 years, the company has sold over 30k+ SLCMs in India, which is the largest among leading concrete equipment companies in India during this period. The company's SLCMs also command the highest resale value among leading concrete manufacturers in India. This is on account of a number of factors, including first-mover advantage, quality and reliability of products, and after-sales service. Its SLCMs are sold under the 'Argo' brand, and utilise a variety of drum outputs ranging from 1.0 to 4.8 cubic metres per batch to cater to a wide range of industrial uses, including across mid-scale and smaller infrastructure projects.

Exhibit 14. Ajax's SLCM retail market share at 75% in FY25



Source: Company, JM Financial

Exhibit 15. SLCM volume to grow at 14% CAGR over FY25-28E



Source: Company, JM Financial

Exhibit 16. Ajax dominates SLCM market share

SLCM players	Market Share (FY25E)
Ajax	**75%**
Schwing Stetter	16%
Venus	3%
KYB Conmat	3%
Macons	2%
Other players	1%

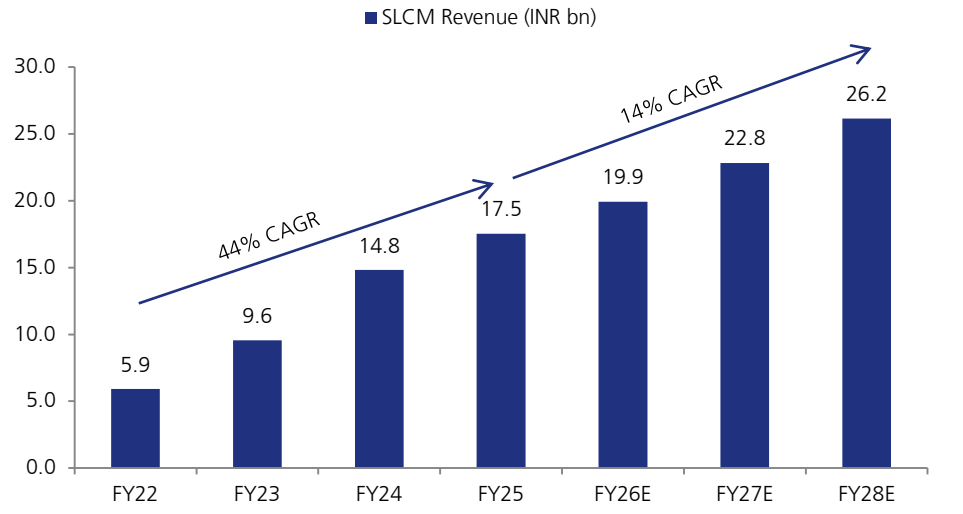
Source: Company, JM Financial

Exhibit 17. SLCM varieties* of Ajax

SLCM varieties	ARGO 2000	ARGO 2300	ARGO 2800	ARGO 3500	ARGO 4300	ARGO 4800
Drum output (cubic mtr/batch)	2.0	2.3	2.8	3.5	4.3	4.8
Engine power (HP)	49.5	49.5	74	49.5	110	110
Bucket capacity (ltr)	320	400	400	600	600	625

Source: Company; ARGO 1000 has been discontinued; 1 batch is produced in 15 minutes

Exhibit 18. SLCM revenue to grow at 14% CAGR over FY25-28E



Source: Company, JM Financial

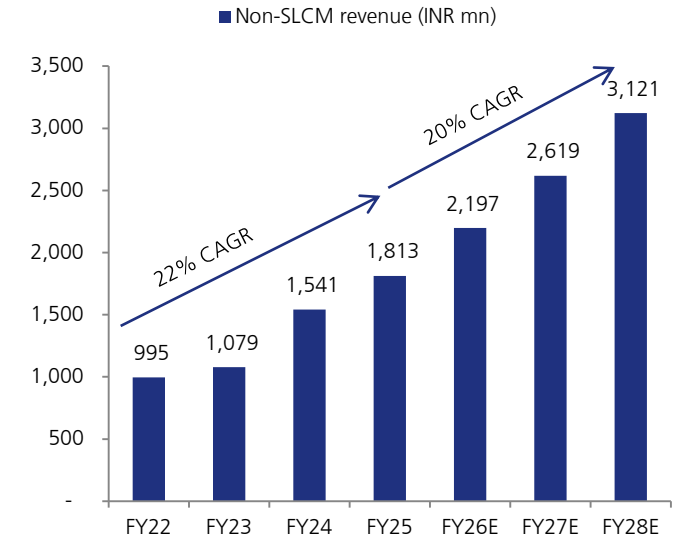
- **To introduce SLCM at a lower price point to bridge gap with manual mixer:** SLCM's major competition comes from manual mixing given the significant price difference differential between an SLCM and a manual mixer. There are several benefits of usage of SLCMs vs. manual mixers, making it a preferable option. Also, we have seen that the total cost of operations is higher for a manual mixer vs. SLCM. However, given the significant differential in the initial investment, it becomes difficult for smaller players/operators to switch to mechanised mixing. To address this issue, Ajax is working on a smaller and relatively lower cost SLCM that will help the smaller operators to make that switch to mechanised mixers. We believe that this product could drive strong growth for the company's SLCM business.

Benefits of SLCMs vs. manual mixers

- **Consistency in quality**: SLCM ensures consistent and high-quality concrete mixes through precise measurement and automated mixing, minimising human error and variability.
- **Lower labour dependency:** SLCMs streamline operations by combining batching, mixing, and transport, leading to significant reduction in time and labour required on-site.
- **High portability:** SLCM is highly adaptable to various construction environments, including remote or difficult-to-access sites, making it suitable for diverse project needs.
- **Cost efficiency:** By eliminating the need for multiple pieces of equipment and reducing labour costs, SLCMs contribute to notable cost efficiency in construction projects.

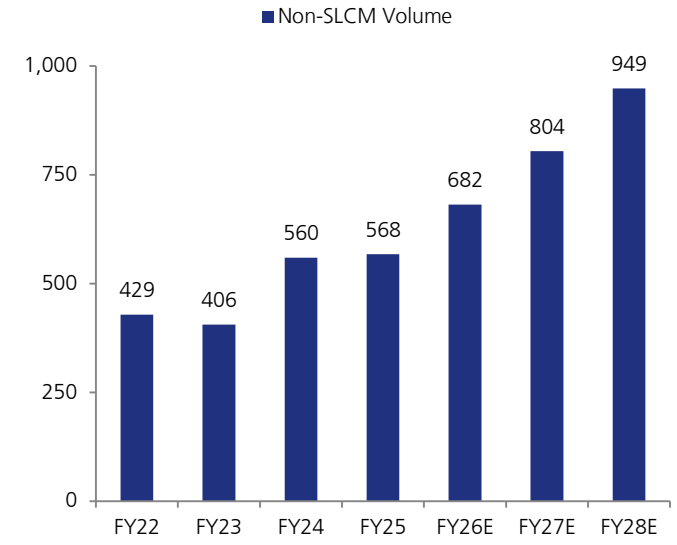
- **Expanding wings in non-SLCM portfolio as well:** In addition to its SLCM portfolio, Ajax has a large and diverse range of non-SLCM equipment that caters to various aspects of concrete production, transportation, placement and paving processes. Its non-SLCM product portfolio includes batching plants for concrete production, transit mixers for concrete transportation, boom pumps, concrete pumps, self-propelled boom pumps for concrete placement, and slip-form pavers. It has been steadily gaining market share in non-SLCMs equipments, driven by its commitment to innovation and quality. During FY22-25, its non-SLCM sales grew at 22% CAGR, reflecting its expanding presence and penetration in this market.

Exhibit 19. Non-SLCM revenue to grow at 20% CAGR in FY25-28E



Source: Company, JM Financial

Exhibit 20. Non-SLCM volume to grow at 19% CAGR over FY25-28E



Source: Company, JM Financial

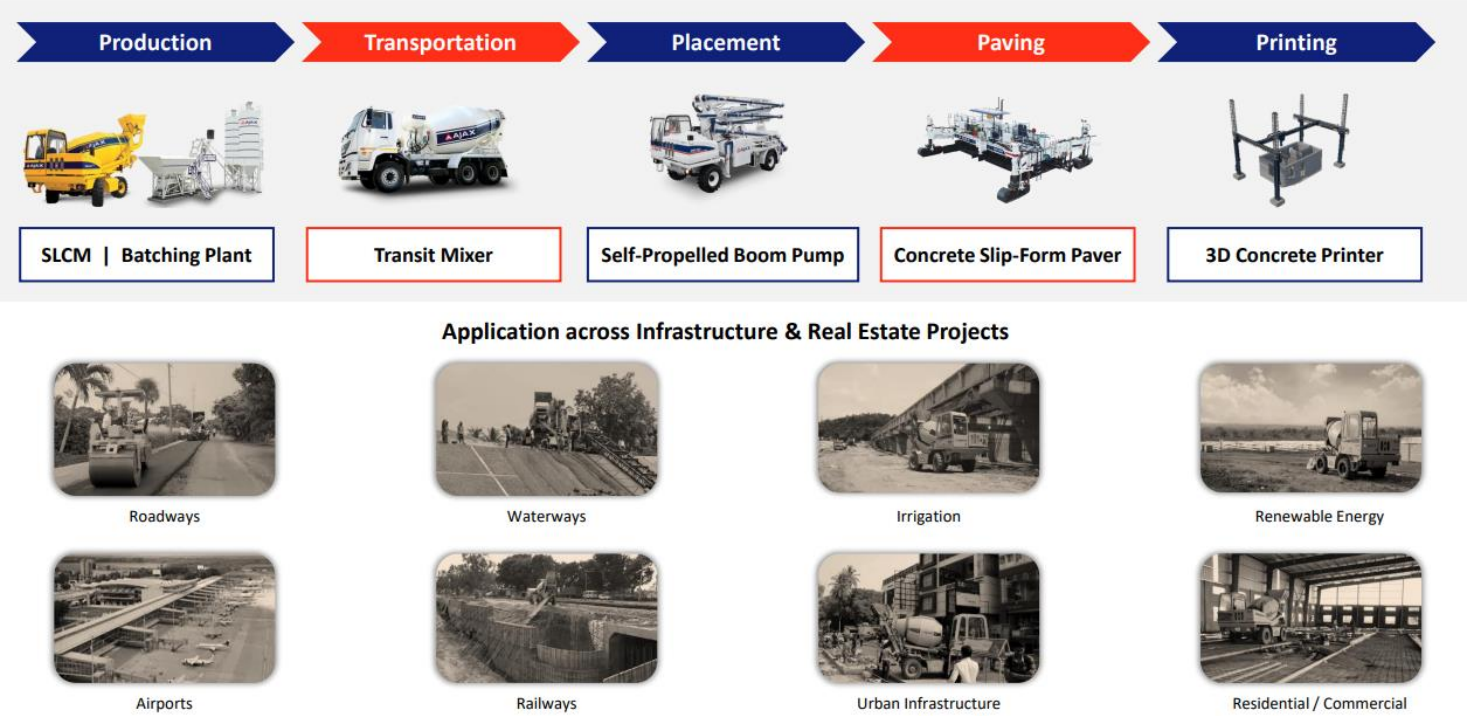
Transition from CEV-4 to CEV-5 emission norms to be much smoother than previous transition: New Bharat Stage emission norms (CEV-5) have been introduced in India in Jan'25, marking a significant upgrade in emission standards for non-road construction equipment vehicles. The CEV-5 standards will apply to a broader range of engines and impose stricter limits on hazardous emissions like particulate matter, nitrogen oxides, and hydrocarbons, among others. Transitioning to a new emission standard can further increase manufacturing costs. Inability to comply with the applicable provisions of the statute may result in penalties. The companies were allowed to manufacture CEV-4 standard vehicles till Dec'24 and sales were allowed up to Jun'25. From Jul'25, only CEV-5 vehicles can be sold.

Due to rise in manufacturing costs amid transition, prices of CEV-5 vehicles are projected to increase by 5-10% (across product lines). The previous transition from CEV-3 to CEV-4 in Apr'21 witnessed a higher price increase of c.12-18% mainly on account of a sharp rise in commodity prices (c.5-6% increase) due to the Covid. This cost increase was typically absorbed over a span of 2-3 years. During this transition from CEV-4 to CEV-5, Ajax expects a blended cost increase of c.8% given its portfolio mix, which includes commodity inflation of 1-2%. Ajax will partially absorb the cost increase and remainder would be covered by savings from operating leverage and other initiatives.

Diverse product portfolio with wide range of applications

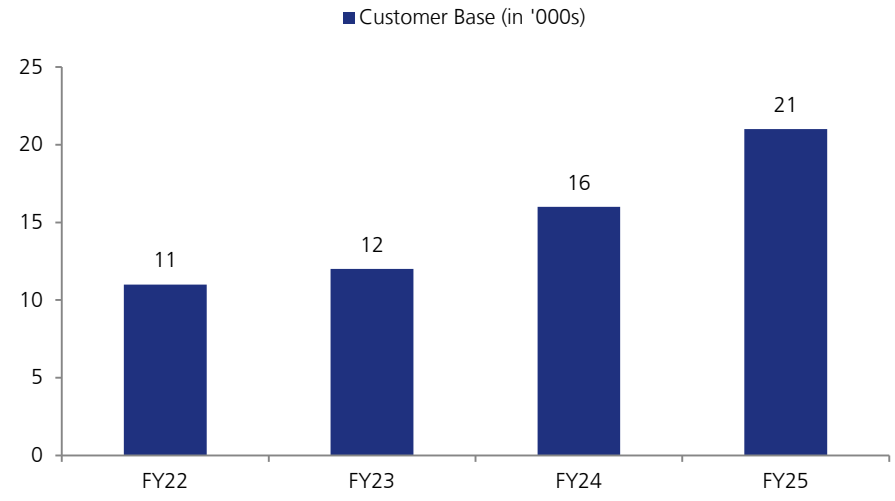
The company's portfolio includes equipment such as SLCMs and batching plants for the production of concrete, transit mixers for the transportation of concrete, boom pumps, concrete pumps and self-propelled boom pumps for the placement of concrete, slip-form pavers for the paving of concrete and 3D concrete printers for depositing concrete. As of FY25, the company has over 141 concrete equipment variants catering to the concrete application value chain. During the last 10 years, it has sold over 33k concrete equipment to over 21k customers in India. Its SLCMs have diverse use cases and are deployed across a range of projects. Other concrete equipment such as batching plants, concrete pumps, boom pumps, transit mixers and self-propelled boom pumps find application in larger scale infrastructure projects (such as dams, highways and bridge construction) and are being deployed in upcoming new-age infrastructure projects including the construction of pre-fabricated structures for metro projects and bridges, ports and airports.

Exhibit 21. Comprehensive product portfolio with wide range of applications



Source: Company

Exhibit 22. Customer base grew at a CAGR of 23% over FY22-25



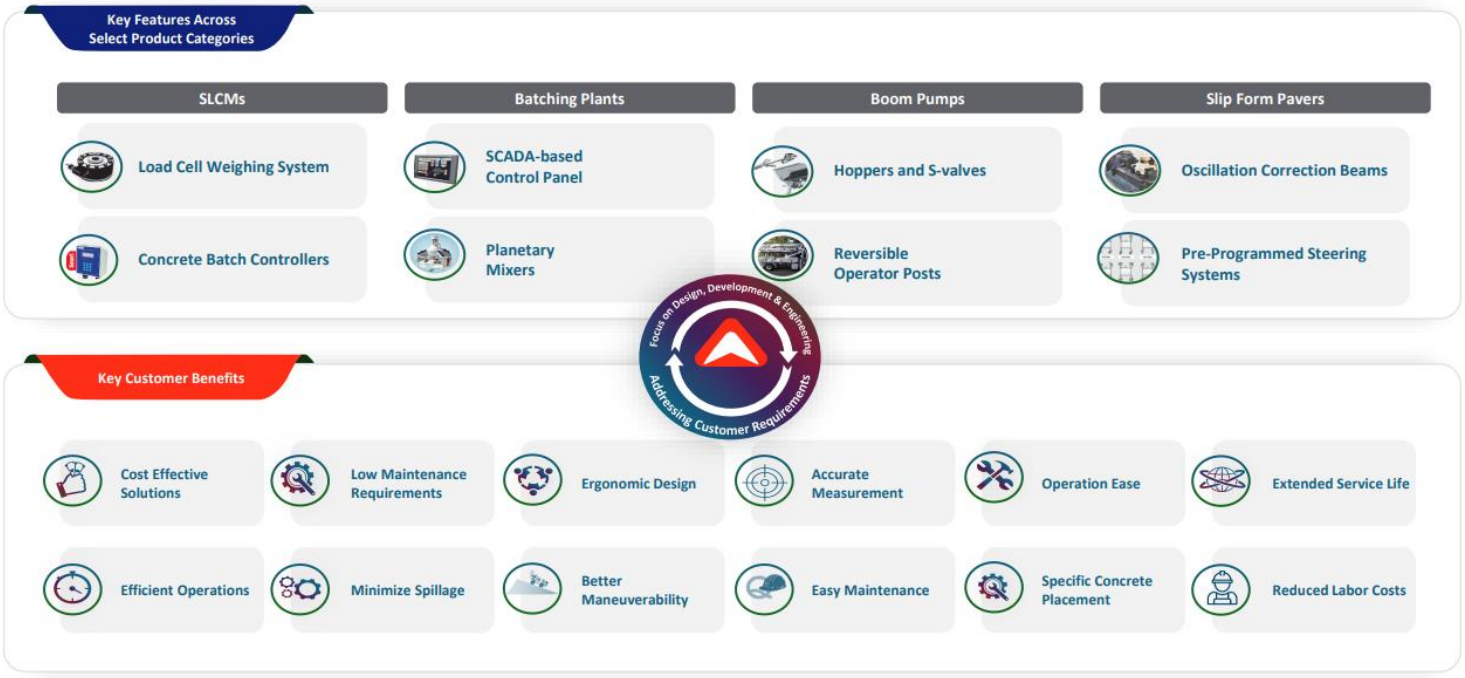
Source: Company, JM Financial

Strong in-house design, development and engineering capabilities

Ajax has a strong in-house design, engineering, and development team that includes 70 full-time employees as of Mar'25. It is the largest research and development team among concrete equipment manufacturers in India. By utilising core technologies, the team has been able to efficiently design concrete equipment that are good quality and reliable. **One of its significant innovations is the SLCM with a load cell, where the machine is equipped with load cell technology that provides quality assurance in concrete production by enabling precise measurement of cement, water, sand, and aggregate**.

The Ajax School of Concrete (TASC) is a research and development and training facility led by a team of specialists, representing its commitment to integrating advanced concrete machinery with material science. Through TASC, the company is dedicated to advancing innovation in materials science and skill and development in the concrete industry, with a primary focus on innovating concrete application equipment to improve efficiency in application and enhance sustainability in the usage of concrete.

Exhibit 23. R&D-driven products address diverse customer requirements



Source: Company

Exploring opportunities for inorganic growth

In addition to its ongoing organic growth initiatives, Ajax aims to selectively pursue strategic acquisitions not only across its existing product lines in the concrete equipment market, but also across other high growth potential product lines that complement its overall engineering, design and development capabilities. The company targets acquisitions that offer technological synergies, broaden its customer base, and enhance its geographic reach. These strategic acquisitions are intended to complement its organic growth efforts, especially in international markets, helping to increase its export activities and its international presence. Ajax has cash and current investments of INR 7.2bn as of Mar'25.

Technology-led assembly and manufacturing processes and robust supplier network

Ajax's technology-led assembly and manufacturing processes, supported by its robust supplier network, position it as the second largest company in terms of annual sales volume among leading concrete equipment companies in India. The company currently assembles equipment and manufactures boom arms using horizontal boring machines at its manufacturing facilities, all of which operate under a lean assembling and manufacturing model. As of Mar'25, Ajax operates four assembling and manufacturing facilities located at Obadenahalli, Gowribidanur and Basethahalli in the state of Karnataka, each specialising in distinct product lines; its Obadenahalli facility, with an area of 10 acres, is among the three largest SLCM facilities globally in terms of area. Its assembling and manufacturing facility at Adinarayanahosahalli (Karnataka), which is currently under construction and expected to become operational in 2H26E, will feature fungible capabilities to address additional demand, and positions the company to effectively meet the diverse needs of its customers.

Exhibit 24. Tech-led assembly and manufacturing facilities

Existing

Upcoming

Location	Bashettihalli	Gowribidanur	Obadenahalli	Adinarayanahosahalli
Year Established	1992	2014	2018	
Products Manufactured	SLCM | Concrete Pump | Boom Pump | Paver	Batching Plants | Transit Mixers	SLCM	Fungible capabilities to assemble a variety of concrete equipment.
Total Area (sq. mt.)	19,340	78,920	39,660	
Installed Capacity (units) *	96** | 180 | 48 | 3	216 | 480	7,200**	
Certification	ISO 9001:2015		ISO 9001:2015	

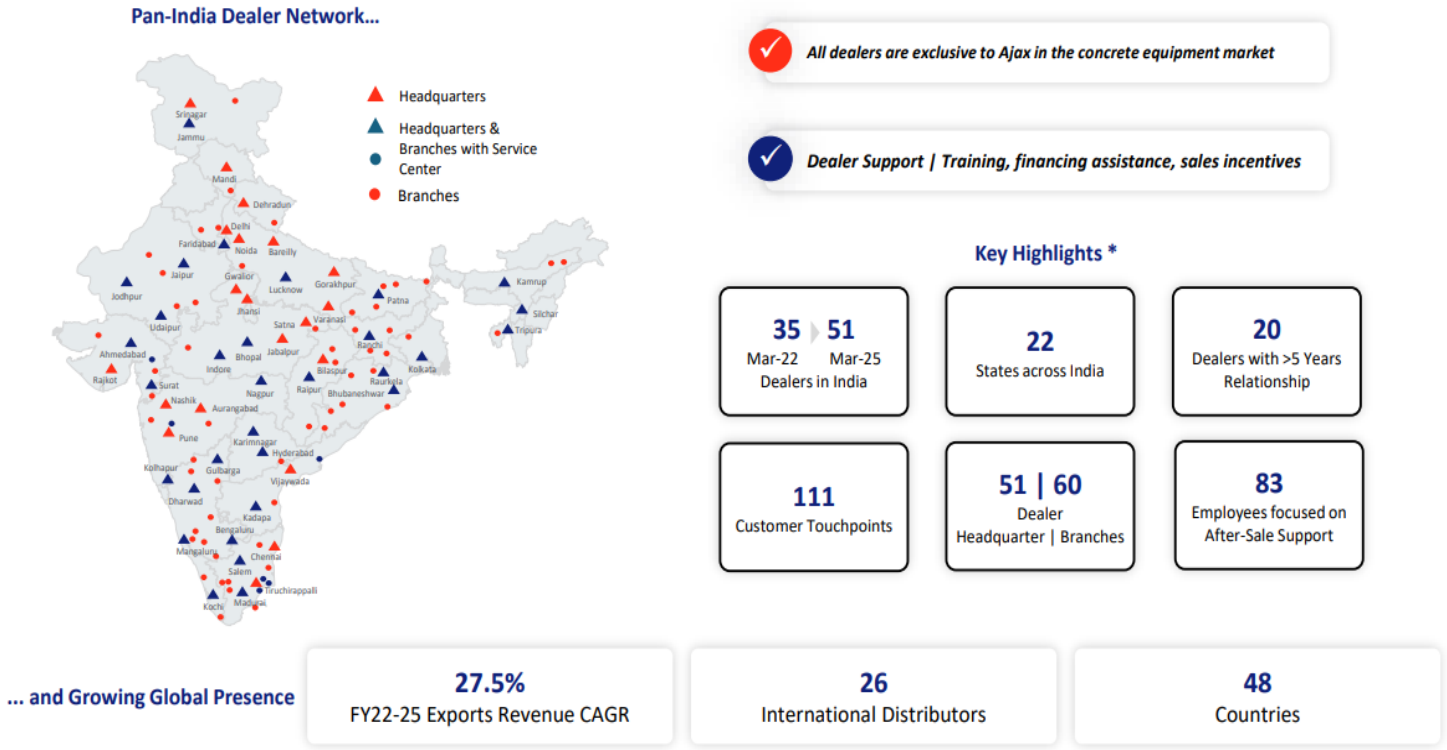
Among the largest SLCM Facilities Globally

Source: Company

Large dealer network with widespread distribution model

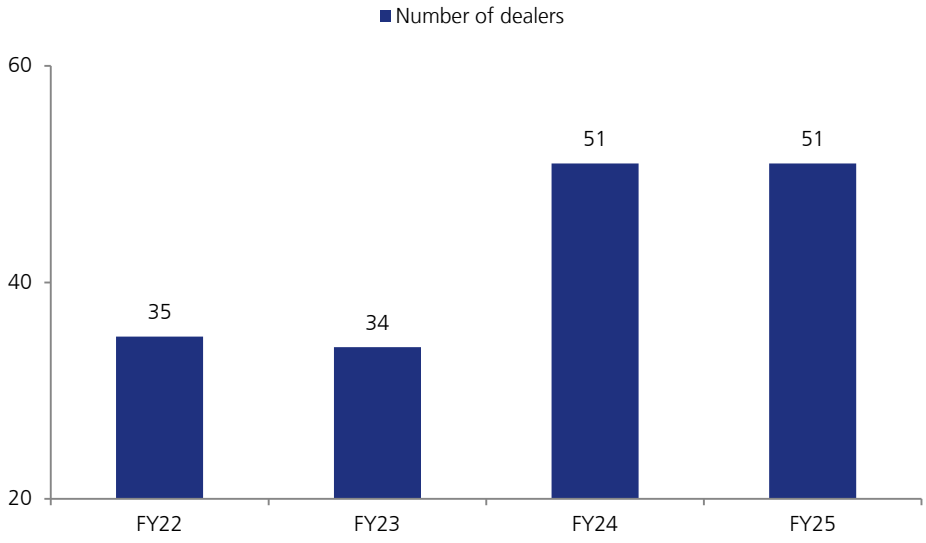
Ajax has utilised a dealer-led distribution and service model. Its dealer network comprised 51 dealers across 22 states in India and is accessible to its customers through 111 touch points (51 dealer headquarters and 60 branches managed and operated by its dealers) as of Mar-25. The company maintains longstanding relationships with its dealers, and all its dealers are exclusive to the company in the concrete equipment market. As of Mar'25, it has maintained relationships exceeding 5 years with 20 dealers. Across the world, Ajax is present in 48 countries and has 26 international distributors.

Exhibit 25. Strong market reach with large dealer network



Source: Company

Exhibit 26. Increasing dealership count



Source: Company, JM Financial

Exhibit 27. Ajax's geographic presence across India

Region	No. of dealers
Central	14
South	13
West	8
North	8
East	5
North east	3
Total	**51**

Source: Company, JM Financial

Exhibit 28. Ajax's top 10 dealers contributed 51% to total revenue in FY24

Name of dealer	Region
Konark Earthmovers Private Limited	East
Hydrotech Equipments Private Limited	West
Orion Equipment	West
Team Engineers	West
Unity Earthtech	North
Encore Heavy Machinery Private Limited	South
MGB Motor and Auto Agencies Private Limited	South
Mangalam Equipments	North
Hiralal Industrial Technologies	East
Sai Chaitanya Equipment	South

Source: Company, JM Financial

Valuation

We like Ajax given its leadership position in the fast growing SLCM market, comprehensive product portfolio, strong management pedigree, strong in-house design, development and engineering capabilities, lean balance sheet and superior return ratios. We expect EPS growth of 16% CAGR over FY25-28E backed by strong growth across verticals. Currently, Ajax is trading at 21x/18x FY27/28E EPS.

Since there are no direct listed peers in the Concreting Equipment segment where Ajax is present, we have selected companies which are into manufacturing of Construction Equipment as comparable. It includes Action Construction (ACE) and Escorts Kubota (present in Material Handling Equipment) and BEML (present in Earth Moving Equipment). Among all the peers, ACE is the closest peer to Ajax and it is currently trading at 28x/26x FY27/28E consensus EPS. Given the larger trading history for ACE, we value Ajax at slight discount to ACE and valued it at 25x June-27 EPS to arrive at a target price of INR 770. We initiate coverage with BUY.

Exhibit 29. Price target of INR 770

INR mn	Rationale	PAT	Multiple (x)	Value	Value per share
Equipment business	PEx June-27E PAT	3,523	25	88,064	770
Target price					**770**

Source: Company, JM Financial

Exhibit 30. Peer comparison (Valuation)

Name of Company	Market Cap (USD mn)*	Rating	EPS CAGR (FY25-28E)	P/E				EV/EBITDA				ROE %			
				FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
Ajax Engineering	**842**	**BUY**	**16%**	**26.8**	**25.6**	**21.3**	**18.1**	**19.4**	**18.8**	**15.0**	**12.3**	**24.8**	**21.7**	**21.0**	**20.1**
Action Construction^	1,691	NR	11%	35.8	32.7	27.7	25.9	28.2	24.9	21.3	19.8	28.8	23.0	22.2	NA
Escorts Kubota^	4,341	NR	8%	29.3	30.9	26.3	23.3	29.6	25.5	21.9	18.7	12.8	10.9	12.1	12.3
BEML^	2,164	NR	34%	63.6	43.2	31.8	26.3	37.2	28.4	21.1	17.9	10.5	14.2	17.1	18.8
TEGA Industries	1,204	BUY	30%	50.1	34.9	27.1	23.0	29.3	23.0	18.6	15.6	15.5	18.8	20.2	19.8
Peer average				**44.7**	**35.4**	**28.2**	**24.6**	**31.1**	**25.4**	**20.7**	**18.0**	**16.9**	**16.7**	**17.9**	**17.0**

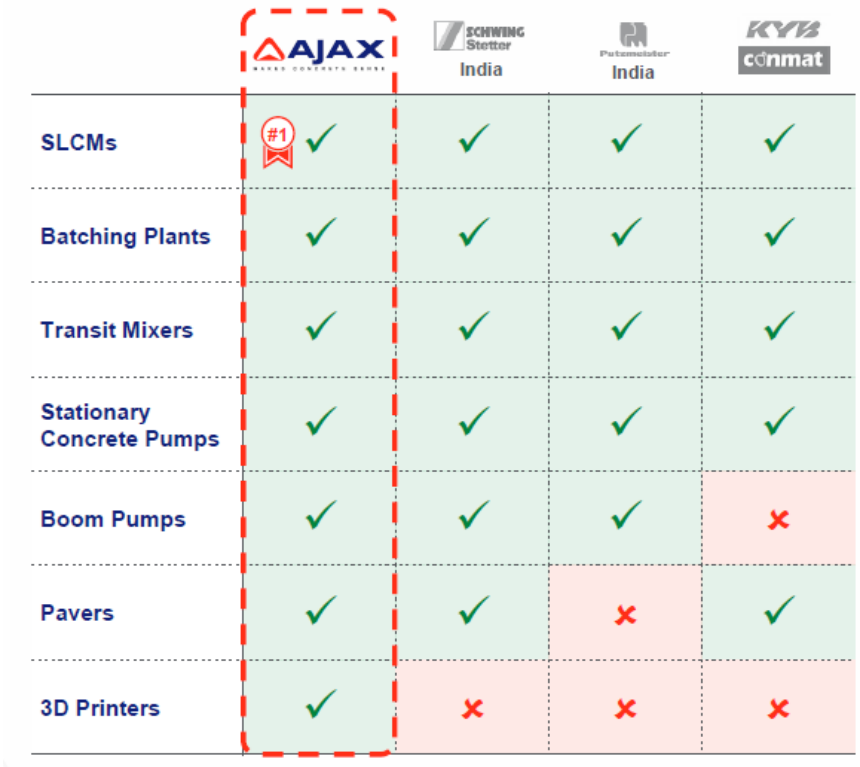
Source: Company, JM Financial; *: as of 30th June 2025; ^: Bloomberg consensus estimates

Exhibit 31. Peer comparison (Financials)

INR mn	Ajax Engineering				Schwing Stetter**				KYB Conmat**			Putzmeister India**			Action Construction (ACE)			
	FY22	FY23	FY24	FY25	CY21	CY22	CY23	CY24P	FY22	FY23	FY24	FY22	FY23	FY24	FY22	FY23	FY24	FY25
Revenue	7,633	11,511	17,414	20,739	25,386	39,193	53,958	55,500	2,509	2,535	2,845	1,260	1,833	2,328	16,296	21,597	29,138	33,271
EBITDA	905	1,707	2,755	3,181	1,113	1,984	2,360	2,553	81	63	36	20	78	100	1,514	2,209	4,033	5,058
EBITDA Margin	11.9%	14.8%	15.8%	15.3%	4.4%	5.1%	4.4%	4.6%	3.2%	2.5%	1.3%	1.6%	4.2%	4.3%	9.3%	10.2%	13.8%	15.2%
PAT	662	1,359	2,251	2,601	535	819	1,069		24	17	-9	7	49	65	1,050	1,730	3,282	4,092
PAT Margin	8.7%	11.8%	12.9%	12.5%	2.1%	2.1%	2.0%		1.0%	0.7%	-0.3%	0.5%	2.7%	2.8%	6.4%	8.0%	11.3%	12.3%
ROE	12.1%	21.0%	27.6%	24.8%	12.9%	17.4%	19.7%		5.7%	3.8%	-2.1%	3.3%	21.3%	22.8%	16.4%	20.7%	30.5%	28.7%
ROCE	12.0%	20.6%	27.2%	24.6%	8.5%	9.4%	11.2%		8.2%	7.1%	2.7%	4.5%	16.4%	16.2%	16.1%	20.8%	31.7%	29.9%
RoIC	13.9%	21.4%	28.9%	26.6%	8.9%	9.5%	11.3%		11.4%	8.6%	3.2%	5.6%	20.4%	20.3%	17.1%	22.0%	34.5%	31.9%
Revenue CAGR				40%			46%^	30%			6%*			36%*				27%
EBITDA CAGR				52%			46%^	32%			-34%*			122%*				49%
PAT CAGR				58%			41%^				NA			214%*				57%

Source: Company, Credit rating notes, JM Financial; *: FY22-24 CAGR; ^: CY21-23 CAGR; **: unlisted peers in concrete equipment segment

Exhibit 32. Leader in SLCMs; challenger in non-SLCM categories



Source: Company

Exhibit 33. Key products for peers in concrete equipment market

Players	Key products
Ajax Engineering	**SLCM, Boom pumps**
Schwing Stetter	Transit mixer, Batching plant, SLCM
Putzmeister India	Boom Pumps
KYB Conmat	Batching plant, SLCM

Source: Company, JM Financial

Key Risks

Dependence on SLCM sales

Ajax derives c. 85% of its revenue from SLCMs, indicating a high dependence on a single product category. The company's sales are closely tied to the health of the construction, infrastructure, and real estate sectors, which drive demand for concrete equipment. While recent years have not seen major downturns, any sustained weakness in these sectors could directly affect volumes and profitability.

Regulatory compliance risks

Ajax must comply with extensive regulations related to emissions, noise, and safety, which could raise manufacturing and compliance costs. The introduction of CEV-5 norms from Jan'25 enforces stricter emission standards, especially for non-road construction equipment, requiring significant technological upgrades. Non-compliance could result in penalties or operational disruptions, affecting both timelines and financial performance.

Lease renewal uncertainty could impact financials

Ajax does not own the land on which its major assembling and manufacturing facilities operate; instead, these are leased, and some key leases have already expired. Renewal terms remain uncertain and may not be commercially favourable, or renewals may be denied altogether. This dependency on leased land, particularly from KIADB (Karnataka Industrial Areas Development Board), also comes with conditions such as maintaining promoter shareholding above 51%, adding another layer of risk.

Seasonal business impact

The company operates in a cyclical industry that is strongly influenced by government infrastructure spending and broader economic cycles. Shifts in political priorities, changes in government budgets, or economic slowdowns can lead to fluctuating demand for concrete equipment. In high-spending years, Ajax may benefit from stronger sales, but reduced public investment can negatively affect its business performance.

Material cost and supply risks

Ajax sources critical components such as engines, axles, and hydraulic systems from both domestic and select international suppliers. Although imports make up less than 10% of its raw material costs, price volatility in key components could increase production costs. Such fluctuations could compress margins, disrupt schedules, and strain overall financial performance.

Geographic concentration risk

All of Ajax's operational facilities are based in Karnataka, which exposes the company to regional-specific risks such as natural disasters, regulatory changes, or civil disturbances. While no major disruptions have occurred in recent years, any such future incidents could severely impact operations and supply continuity. Geographic concentration limits diversification and increases operational vulnerability.

Dependency on a single facility

Nearly all of Ajax's SLCMs are assembled at the Obadenahalli facility, and less than 5% is produced at the Bashettihalli plant. This over-reliance on a single location creates a bottleneck and risk of production loss if the facility experiences any prolonged disruption. Although a new multi-purpose plant is under development at Adinarayanahosahalli, it will only become operational in 2HFY26E.

Reliance on dealer network

Ajax depends on its nationwide dealer network for product sales, spare parts distribution, and after-sales service. The quality of customer interaction hinges on dealer performance, and any lapse - whether due to poor training, resources, or execution - can harm brand perception and trigger warranty claims. With 12 dealerships terminated during FY22–24 for underperformance, maintaining and expanding a capable dealer network remains critical for growth and customer satisfaction.

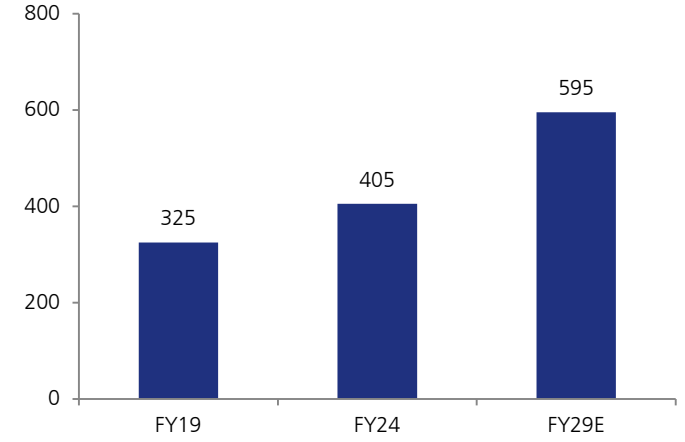
Industry Overview

Cement consumption in India to grow at 8% CAGR over FY24-29E

Cement consumption in India is projected to grow at a CAGR of 8% over FY24-29E, driven by increasing investments in construction activities, particularly in rural housing and infrastructure development. The per capita cement consumption in India is c.50% lower than the global average, which also represents headroom for growth. Cement consumption in India's infrastructure projects is extensive, providing the necessary strength and durability for a wide range of applications. From roadways and waterways to renewable energy projects and high-rise buildings, cement is critical as India continues to develop horizontally and vertically.

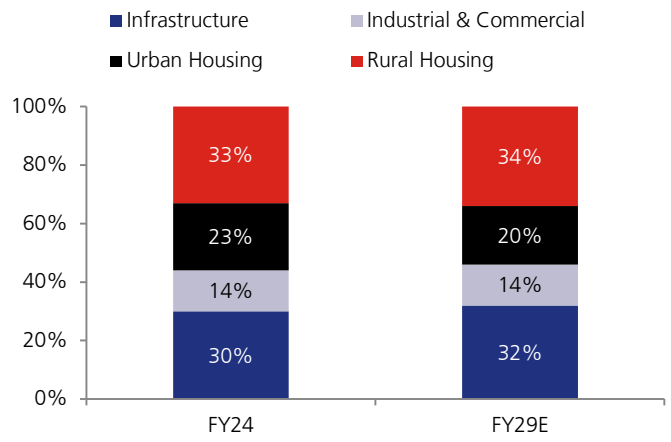
In terms of sectorial consumption, rural housing and infrastructure projects have the highest contribution at 33% and 30% respectively, followed by urban housing and industrial & commercial buildings at 23% and 14% respectively in FY24. With the significant influx of public investments to create affordable housing for rural segments, and the investments to boost infrastructure development, the consumption of cement for rural housing and infrastructure-related projects is projected to increase to 34% and 32% respectively by FY29.

Exhibit 34. Domestic cement consumption in India (mt)



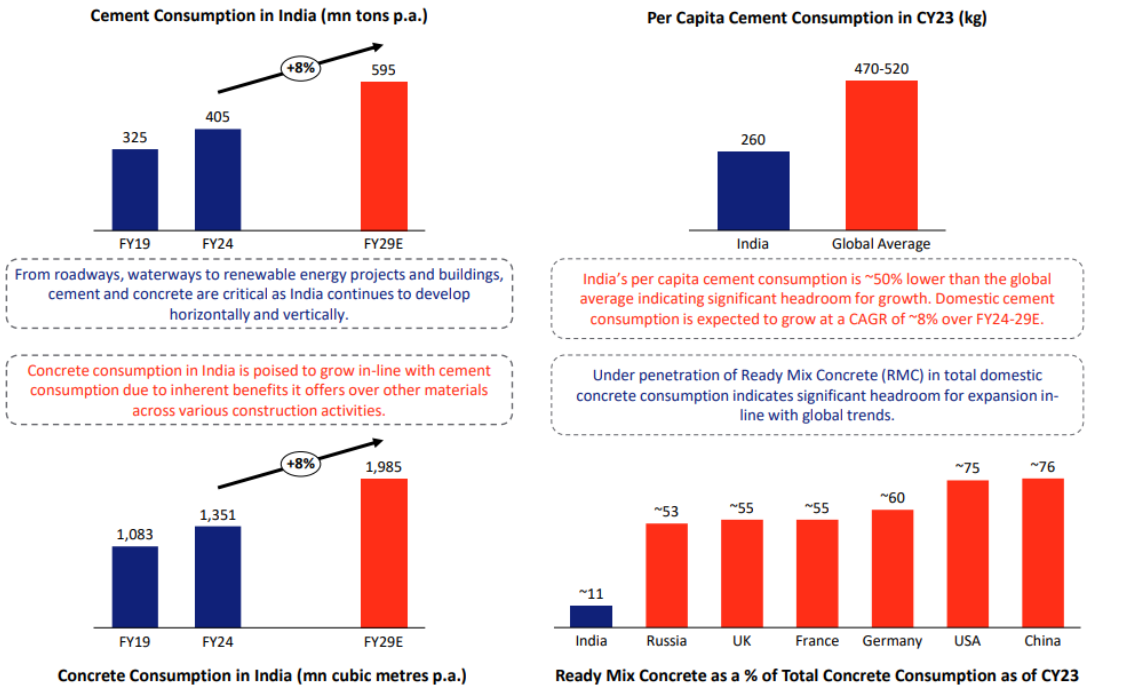
Source: Company

Exhibit 35. Segmental consumption of cement



Source: Company

Exhibit 36. Cement and concrete consumption to grow at 8% CAGR over FY24-29E

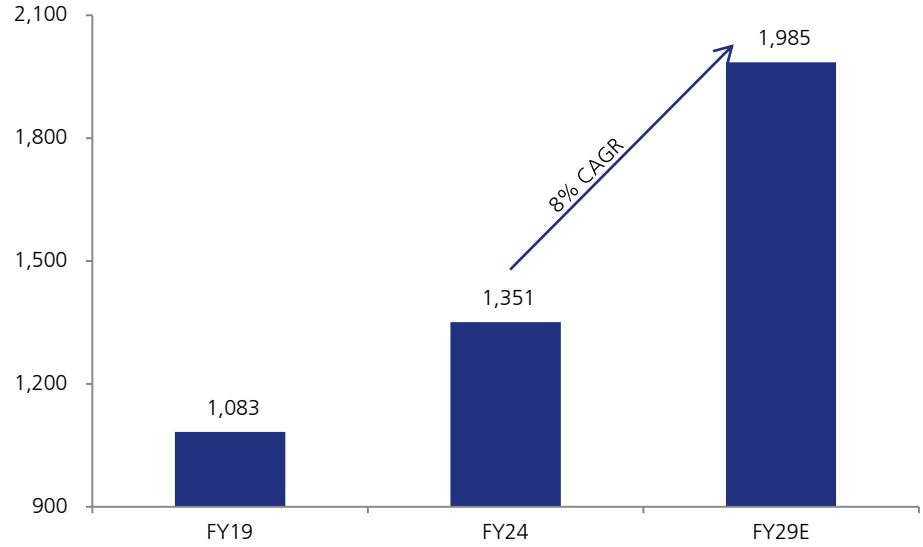


Source: Company

Concrete consumption to grow in sync with cement at 8% CAGR over FY24-29E

Concrete consumption in India is poised to grow in line with cement consumption driven by the inherent benefits it offers over other materials across various construction activities. Concrete production involves the mixing of cement, water, sand, and aggregates in specific proportions, using either manual methods or automated batching plants. The country has a robust infrastructure for concrete manufacturing, supported by a large network of cement plants and suppliers of raw materials. Concrete offers several advantages over other materials in use cases like bituminous roads and bricks in housing structures. It provides greater durability and longevity, requiring less maintenance over time. Concrete roads can withstand heavy traffic and extreme weather conditions better than bituminous roads, reducing repair costs and disruptions. In housing, concrete structures offer superior strength, fire resistance, and insulation properties compared to brick, contributing to safer and more energy-efficient buildings.

Exhibit 37. Domestic concrete consumption in India (mn cubic meters)



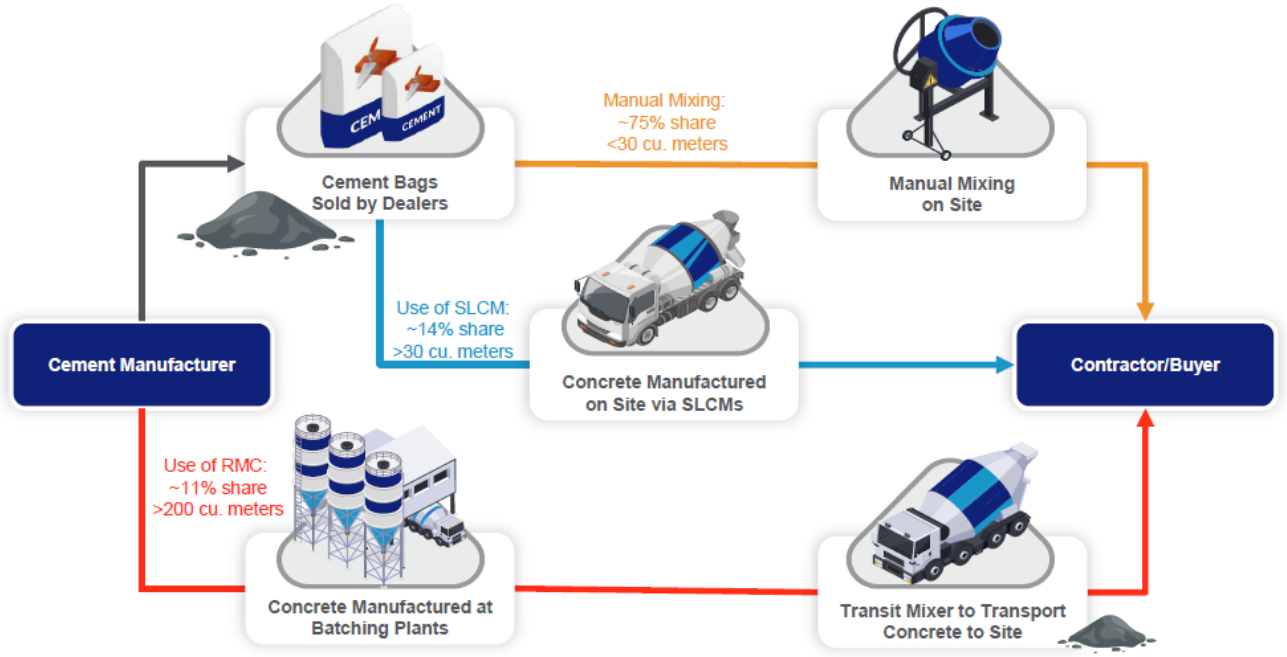
Source: Company

Concrete manufacturing and consumption

Concrete manufacturing and consumption involves three methods depending on the levels of mechanisation. While the manual process drives the largest volume with 75% share, the mechanised process contributes to c.25% of total concrete consumption in India. Following are the three methods:

- The first method is manual mixing, where labour or manual mixers are utilised directly on construction sites. In this method, cement is sourced from dealers and transported to the site, where the concrete is mixed as needed.
- The second channel involves the use of SLCMs, which enhance production speed and consistency while reducing the required labour force.
- The third method is the production of ready-mix concrete (RMC) through batching plants. This channel involves the use of transit mixers to transport the pre-mixed concrete from the production facility directly to the construction site.

Exhibit 38. Flow of concrete through different methods



Source: Company

Manual mixing drives c.75% of total concrete consumption in India

The first value chain of concrete manufacturing involves a highly un-mechanised production process, typically found in regions with utilisation of less than 30 cubic meters. This method is prevalent in individual housing projects and smaller construction projects such as hostels, restaurants, and small hotels, primarily in rural India. In this setup, contractors purchase cement in bags from local dealers, often on a regular basis depending on the availability of finance, and manufacture concrete on-site, either manually or using small drums. This approach often faces inefficiencies and bottlenecks, such as inconsistent quality control, higher labour costs, and longer construction times. Additionally, the reliance on periodic cement purchases can delay the construction process. The lack of advanced machinery and standardised processes also poses challenges in ensuring the durability and strength of the concrete, impacting the overall quality and sustainability of the construction.

SLCM drives c.14% of total concrete consumption in India and is estimated to increase at a faster pace to 24% by FY29E

The second value chain of concrete manufacturing involves mechanisation, primarily through the use of SLCMs. This method is utilised for projects requiring more than 30 cubic meters (but less than 200 cubic meters), such as residential and commercial complexes, parking structures, highways and mid-sized infrastructure projects. In this process, contractors collaborate with concreting companies, establishing agreements for concrete delivery. Raw materials are loaded at the site in SLCM, which manufactures concrete on-site. Growth of SLCMs in concrete manufacturing is driven by several benefits such as consistency in quality, reduced labour, portability and cost savings. SLCM drives c.14% of total concrete consumption in India as of FY24 (10% in FY19) and is expected to grow rapidly to 24% by FY29E.

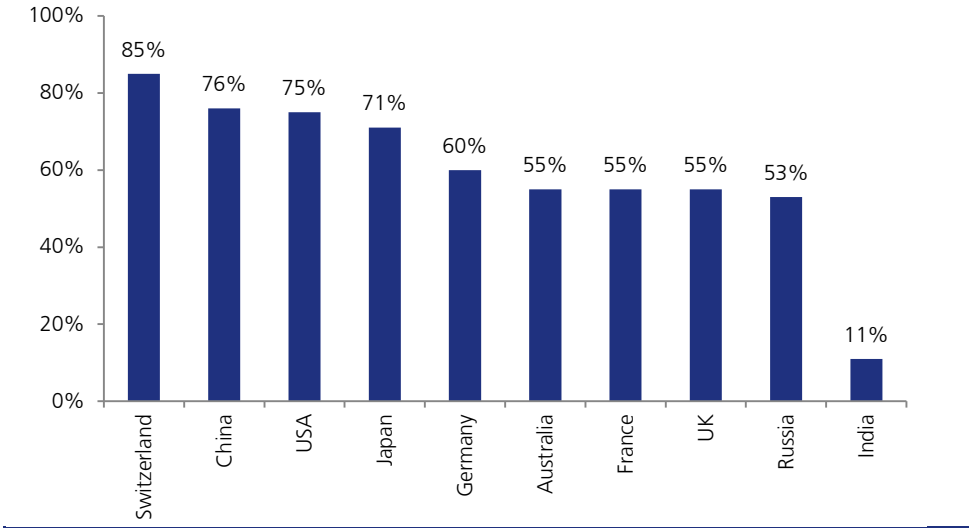
Key advantages of mechanisation over manual mixing

- Consistency in quality enabled through precise measurement and automated mixing, minimising human error and variability
- Higher efficiency on account of reduced labour via streamline operations by combining batching, mixing, and transport
- Cost saving by eliminating the need for multiple pieces of equipment and reducing labour costs
- Highly adaptable to various environments, including remote or difficult-to-access sites, making them suitable for diverse project needs

RMC drives c.11% of total concrete consumption in India

The highly mechanised process of concrete manufacturing is utilised for large-scale infrastructure projects, including bridges, dams, airports, highways, and multi-story buildings consuming more than 200 cubic meters. This method involves the use of batching plants, transit mixers, and boom pumps to produce and deliver concrete efficiently and precisely. Concrete is typically produced on-site at batching plants where raw materials such as cement, aggregates, and water are precisely measured and mixed. The mixed concrete is then loaded into transit mixers, which keep it agitated to prevent setting during transport to the construction site. Upon arrival, concrete pumps, boom pumps, and self-propelled boom pumps are used to place the concrete directly in desired location, ensuring uniformity and reducing labour-intensive manual handling. This method is advantageous for large projects due to its efficiency, ability to produce high-quality and consistent concrete, and capacity to handle large volumes. Specific grades of concrete can be manufactured as required, and the use of mechanised equipment significantly reduces time/labour costs involved in construction.

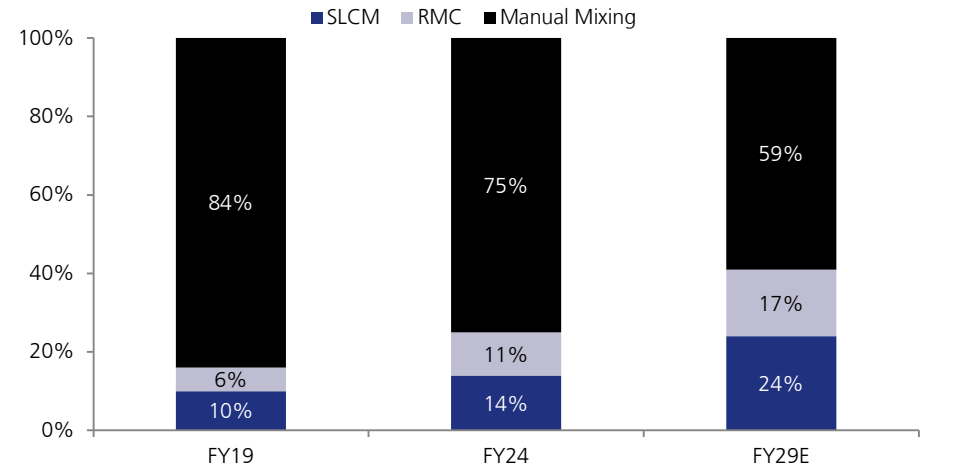
Exhibit 39. Share of ready-mix concrete in overall concrete consumption (CY23)



Source: Company

Metro and Tier 1+ cities in India contribute to around 65-70% of RMC consumption. The demand for RMC is primarily concentrated in western and southern regions, driven by increasing awareness of its benefits in construction, a greater emphasis on timely project completion, and enhanced focus on safety and quality standards. Despite the fragmented and unorganised nature of the RMC market, several major cement manufacturers have entered the RMC business. Additionally, there are non-cement players actively participating in this sector.

Exhibit 40. Increase in SLCM concrete consumption in India



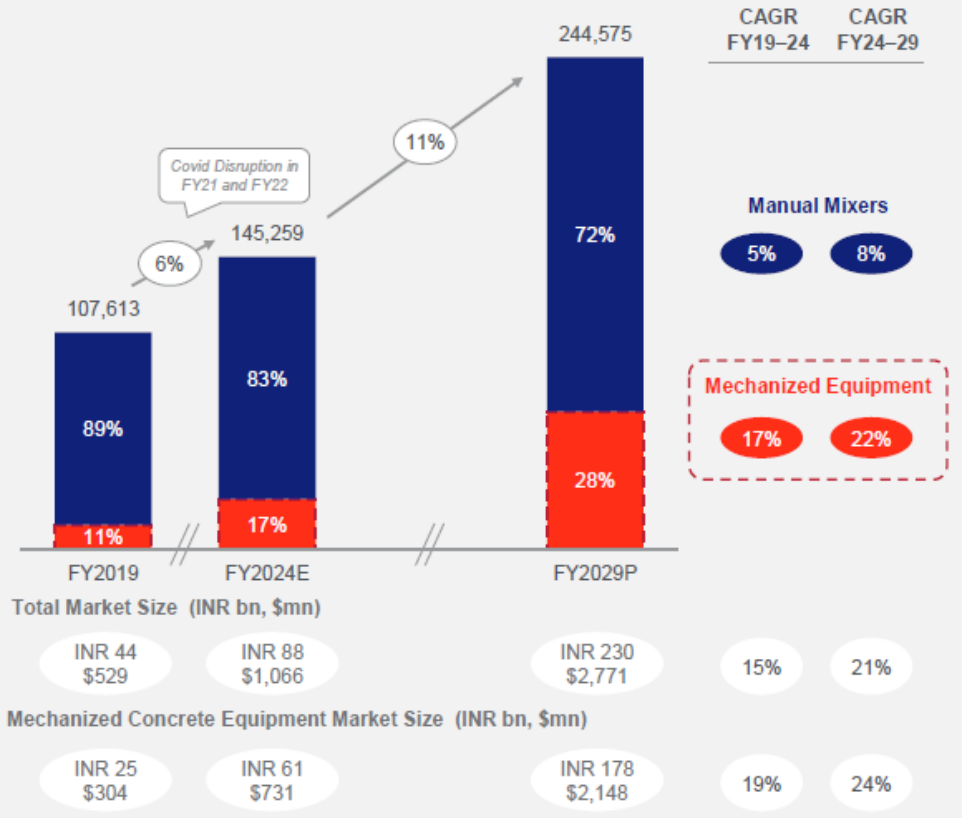
Source: Company

Concreting equipment market in India to see 11% volume CAGR over FY24-29E

Rise in mechanised production of concrete is leading to increase in demand for concreting equipment in India. Concrete equipment sales grew at 6% CAGR from 108k in FY19 to 145k vehicles in FY24. It was partially impacted due to Covid disruption as well. Of this growth, mechanised equipment volume grew at a robust 17% CAGR whereas manual mixer volumes grew by only 5% CAGR over FY19-24. Going ahead, given the multi-fold benefits of mechanised concreting equipment over manual methods, mechanised equipment sales are expected to grow at a robust 22% CAGR over FY24-29E vs. manual mixer volume growth of 8% over the same period.

Total market size doubled from INR 44bn in FY19 to INR 88bn in FY24, growing at 15% CAGR despite weak volume growth, led by increasing share of mechanised equipment. It is expected to grow at 21% CAGR from INR 88bn in FY24 to INR 230bn in FY29E with the mechanised equipment market growing at 24% CAGR from INR 61bn in FY24 to INR 178bn in FY29E.

Exhibit 41. Concrete equipment sales (number of units)



Source: Company

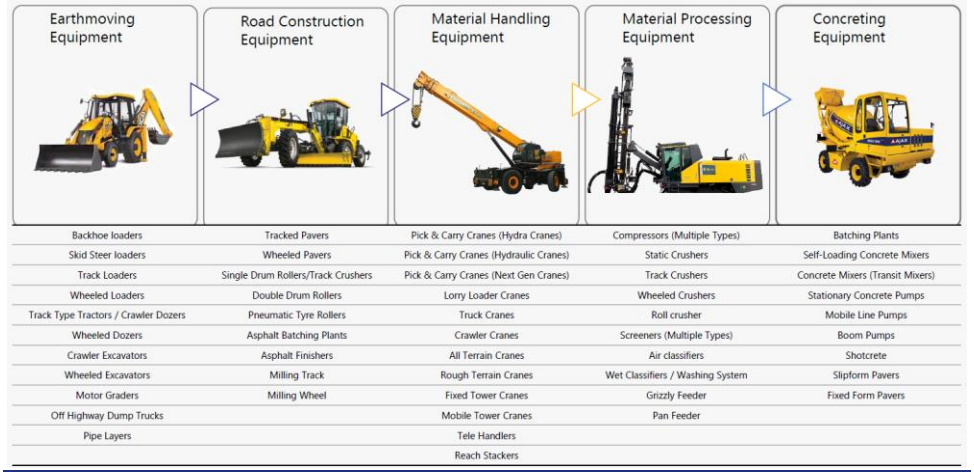
Exhibit 42. Mechanised concreting equipment volume to grow by 22% CAGR over FY24-29E

Volume (in nos)	FY19	FY24	FY29E	FY19-24 CAGR	FY24-29E CAGR
SLCM	**3,965**	**6,056**	**13,855**	**8.8%**	**18.0%**
Batching Plant	1,108	3,100	6,170	22.8%	14.8%
Transit mixer	3,732	11,250	34,808	24.7%	25.3%
Concrete pumps	2,255	4,167	11,640	13.1%	22.8%
Boom pumps	164	460	1,414	22.9%	25.2%
Total	**11,224**	**25,033**	**67,887**	**17.4%**	**22.1%**

Industry size (INR bn)	FY19	FY24	FY29E	FY19-24 CAGR	FY24-29E CAGR
SLCM	**11**	**21**	**60**	**13.8%**	**23.4%**
Batching Plant	4	14	34	28.5%	19.4%
Transit mixer	3	11	39	29.7%	28.8%
Concrete pumps	5	9	28	12.5%	25.5%
Boom pumps	1	5	15	38.0%	24.6%
Total	**24**	**60**	**176**	**20.1%**	**24.0%**

Source: Company, JM Financial

Exhibit 43. Construction equipment range



Source: Company

Business analysis

Capacity expansion at Hosahalli – to be operational in 2H26E

Ajax has four manufacturing facilities located at Basethahalli, Gowribidanur and Obadenahalli in Karnataka. The Obadenahalli plant manufactures SLCMs and is among the largest SLCM facilities globally. Ajax is currently setting up a new plant at Adinarayanahosahalli in Karnataka spread over 14 acres; in phase-I, it is setting up a plant over 7 acres at a total capex of INR 400mn. It will have fungible capabilities to assemble a variety of non-SLCM concrete equipment. The plant is expected to be operational in 2H26E.

Exhibit 44. Ajax's capacity utilisation across its facilities

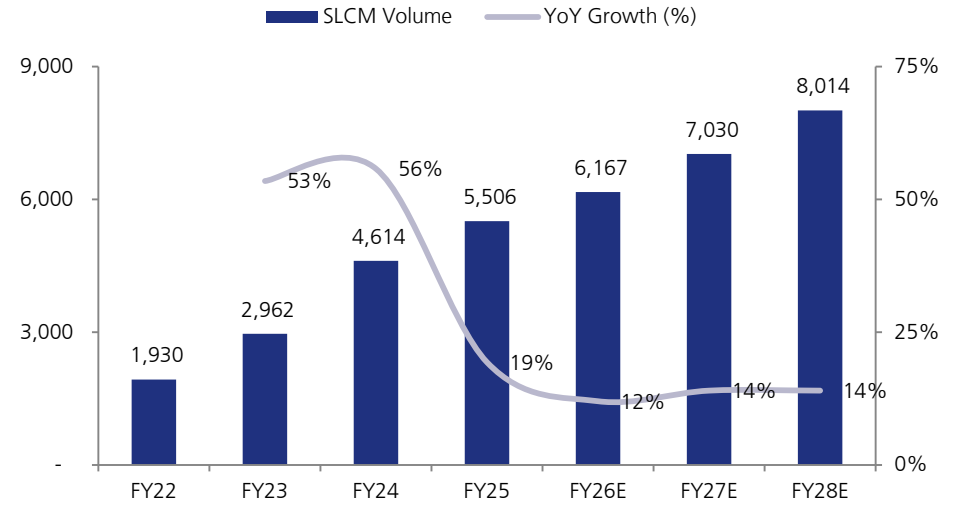
Particulars	FY22	FY23	FY24
Obadenahalli			
Installed capacity (units) - SLCM	7,200	7,200	7,200
Actual production volumes (units) - SLCM	1,253	2,785	4,558
Capacity utilization (%) - SLCM	17%	39%	63%
Gowribidanur			
Installed capacity (units)			
- Batching plant	183	219	216
- Transit mixer	264	264	480
Actual production volumes (units)			
- Batching plant	135	127	160
- Transit mixer	165	99	182
Capacity utilization (%)			
- Batching plant	74%	58%	74%
- Transit mixer	63%	38%	38%
Basethahalli			
Installed capacity (units)			
- SLCM (Argo 1000)	96	96	96
- Concrete pump	168	168	180
- Boom pump	24	48	48
- Paver	0	3	3
Actual production volumes (units)*			
- SLCM (Argo 1000)	39	45	54
- Concrete pump	125	140	189
- Boom pump	19	45	42
- Paver	0	1	0
Capacity utilization (%) – Total			
- SLCM (Argo 1000)	41%	47%	56%
- Concrete pump	74%	83%	105%*
- Boom pump	79%	94%	88%
- Paver	-	33%	-

Source: Company; *: Marginal excess capacity utilization is on account of higher efficiency by men and machines during the review period

SLCM volume to grow at 13% CAGR over FY25-28E; realization to remain flat

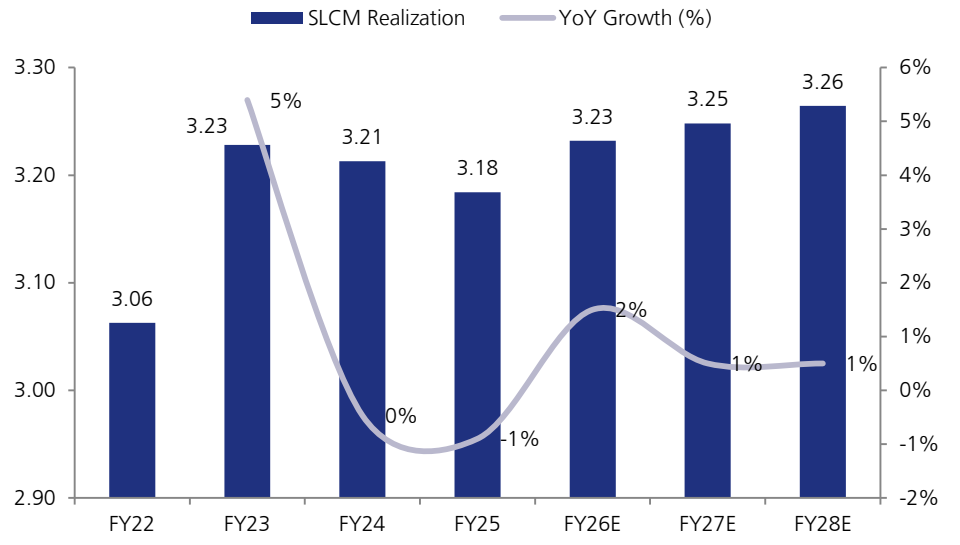
We expect Ajax's SLCM volume to grow at a CAGR of 13% from 5,506 units sold in FY25 to 8,014 units in FY28E. We expect realisation to be stable and grow from INR 3.18mn in FY25 to INR 3.26mn in FY28E. Overall, SLCM revenue is expected to grow at 14% CAGR over FY25-28E.

Exhibit 45. SLCM volume to grow at 13% CAGR over FY25-28E



Source: Company, JM Financial

Exhibit 46. SLCM realisation to be largely flattish

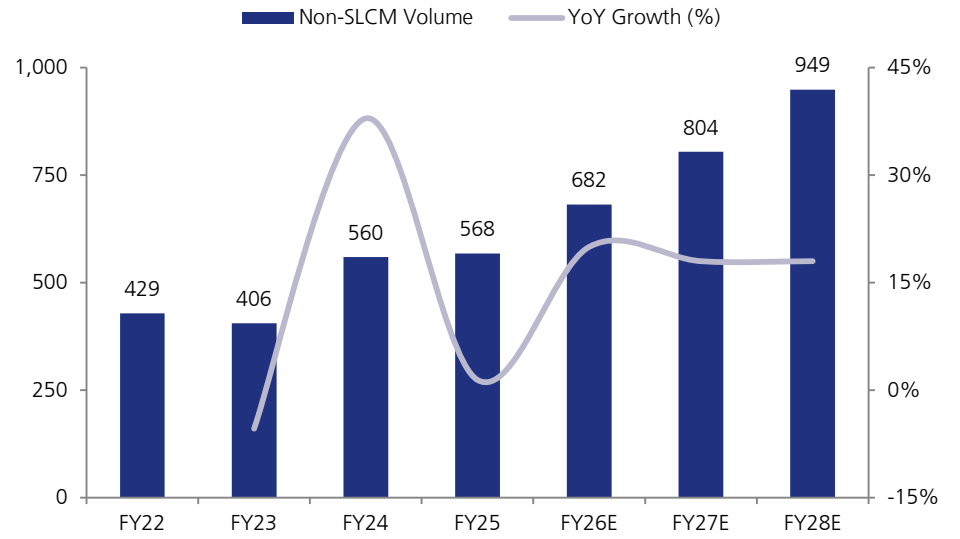


Source: Company, JM Financial

Non-SLCM volume of Ajax to grow at 19% CAGR over FY25-28E

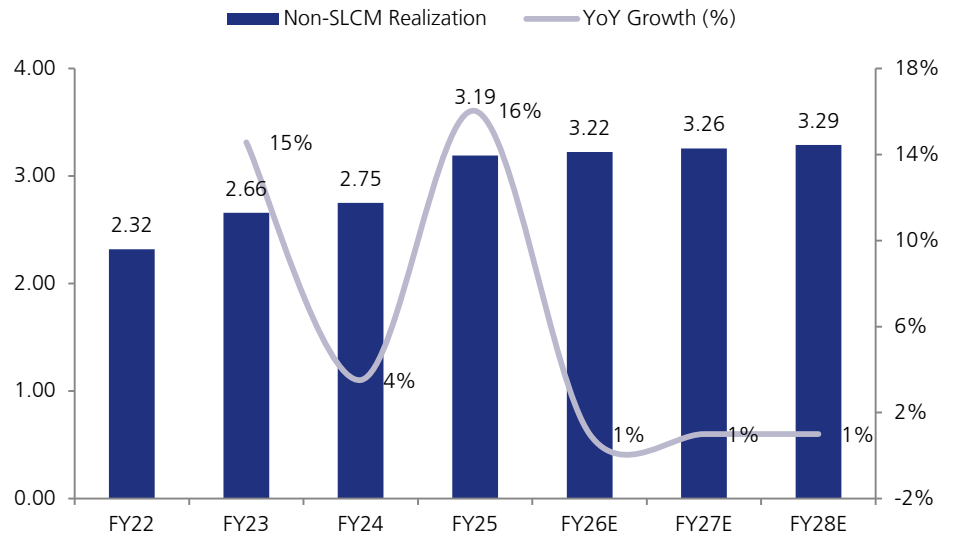
We expect non-SLCM volume to increase from 568 units in FY25 to 949 units in FY28E at a CAGR of 19%. Realisation for non-SLCM products is expected to be flat and grow at a CAGR of just 1% over FY25-28E from INR 3.19mn in FY25 to INR 3.29mn in FY28E. Sharp increase in non-SLCM realization in FY25 was due to change in product mix. Overall, we expect non-SLCM revenue to grow at 20% CAGR over FY25-28E.

Exhibit 47. Non-SLCM volume to grow at 19% CAGR in FY25-28E



Source: Company, JM Financial

Exhibit 48. Non-SLCM realisation seen largely flat over FY25-28E



Source: Company, JM Financial

Financial Analysis

4QFY25 quarterly results

- Revenue grew by 15% YoY/40% QoQ to INR 7.6bn in 4Q25. SLCM revenue grew by 13% YoY to INR 6.6bn.
- SLCM volume grew by 12% YoY to 2045 units in 4Q25 (up 34% QoQ).
- EBITDA was flat at INR 1.1bn, while reported EBITDA margin declined by 195bps YoY to 14.7%.
- Other expenses included a one-off of INR 60mn incurred for legal and professional expenses. Adjusted for that, EBITDA margin was 15.5% (down 110bps YoY).
- Adjusted PAT was flat YoY at INR 883mn.
- Reported PAT at INR 909mn included reversal of interest provisions of INR 27mn.

Exhibit 49. Standalone quarterly results

INR mn	3Q24	4Q24	FY24	3Q25	4Q25	FY25	FY26E	FY27E	FY28E
Net Sales	**3,993**	**6,572**	**17,414**	**5,482**	**7,558**	**20,739**	**24,116**	**27,906**	**32,156**
EBIDTA	**668**	**1,092**	**2,755**	**881**	**1,108**	**3,181**	**3,617**	**4,186**	**4,822**
EBIDTA margin (%)	16.7%	16.6%	15.8%	16.1%	14.7%	15.3%	15.0%	15.0%	15.0%
Other income	87	127	387	69	117	428	523	629	836
Depreciation	26	26	103	28	28	109	131	139	149
Interest	4	6	20	6	3	18	16	17	18
PBT	**724**	**1,188**	**3,019**	**916**	**1,195**	**3,482**	**3,993**	**4,660**	**5,492**
Tax	185	305	768	234	312	908	1,005	1,173	1,382
Effective tax rate (%)	25.5%	25.7%	25.4%	25.6%	26.1%	26.1%	25.2%	25.2%	25.2%
Adjusted PAT	**539**	**883**	**2,251**	**681**	**883**	**2,574**	**2,988**	**3,487**	**4,110**
Extra-ordinary items	0	0	0	0	26.78	26.87	0	0	0
Reported PAT	**539**	**883**	**2,251**	**681**	**909**	**2,574**	**2,988**	**3,487**	**4,110**
YoY Growth(%)									
Net sales	56.6%	38.2%	51.3%	37.3%	15.0%	19.1%	16.3%	15.7%	15.2%
EBITDA	78.8%	31.9%	61.4%	31.8%	1.5%	15.5%	13.7%	15.7%	15.2%
Other income	63.8%	65.2%	80.0%	-20.3%	-7.9%	10.7%	22.3%	20.2%	32.9%
Depreciation	18.5%	21.2%	20.0%	7.9%	9.6%	6.3%	20.1%	5.7%	7.2%
Interest	188.0%	545.8%	200.3%	28.3%	-60.2%	-10.2%	-10.6%	3.9%	4.1%
PBT	79.7%	34.5%	65.0%	26.5%	0.6%	15.3%	14.7%	16.7%	17.9%
Adjusted PAT	80.2%	34.6%	65.6%	26.3%	0.0%	14.3%	16.1%	16.7%	17.9%
Reported PAT	80.2%	34.6%	65.6%	26.3%	3.0%	15.5%	14.9%	16.7%	17.9%

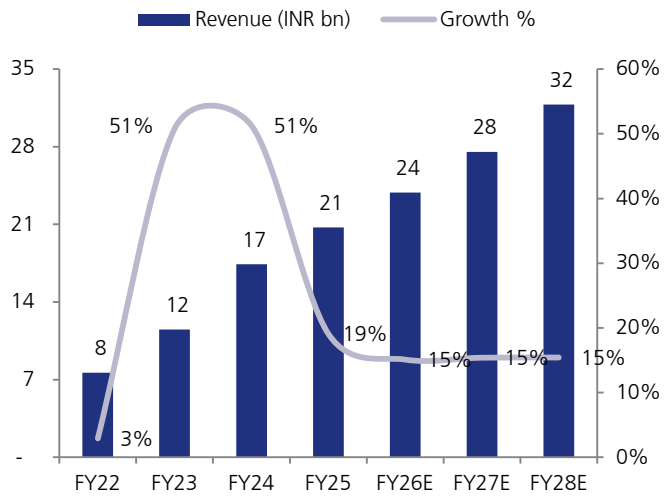
Source: Company, JM Financial

Expect EPS CAGR of 16% CAGR over FY25-28E

Expect revenue to grow at 15% CAGR over FY25-28E led by growth across verticals

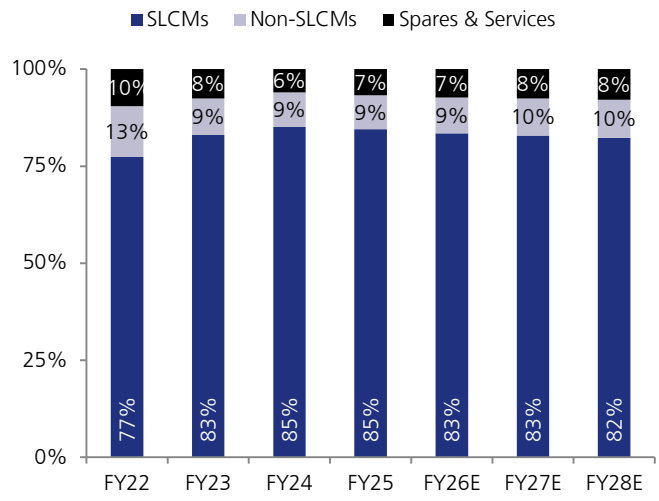
We expect SLCM revenue to grow at 14% CAGR over FY25-28E mainly led by volume growth of 13% over the same period. Non-SLCM revenue is expected to grow at a faster pace of 20% CAGR given the lower base. While Ajax is the market leader in SLCMs with 75% market share in India, it is a challenger in non-SLCM equipment like boom pumps, concrete pumps, pavers and batching plant. Apart from equipment, Ajax also sells spare parts; in this business, we envisage revenue CAGR of 22% over FY25-28E as a large amount of vehicles sold over the past 3-4 years will drive the demand for spares. Overall, on a blended basis, we expect revenue growth of 15% CAGR over FY25-28E.

Exhibit 50. Revenue to grow at 15% CAGR over FY25-28E



Source: Company, JM Financial

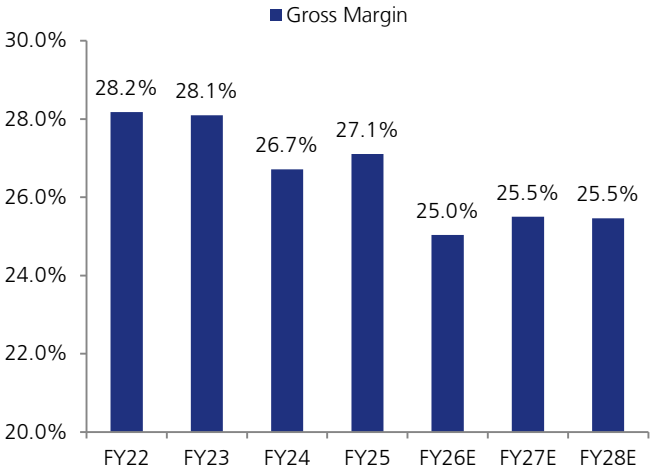
Exhibit 51. SLCM share in revenue to moderate to 82% in FY28E



Source: Company, JM Financial

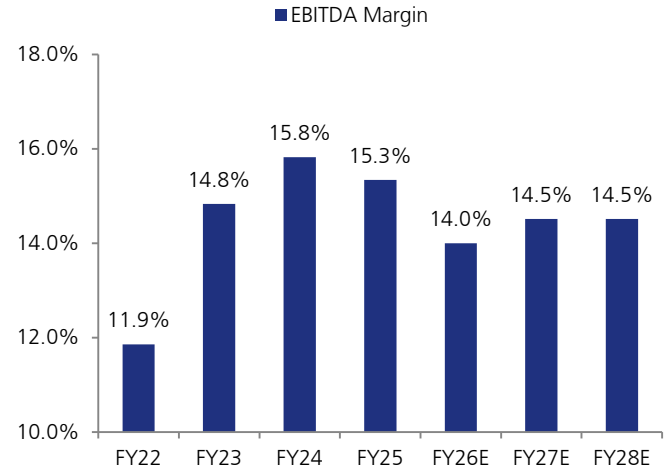
EBITDA margin to moderate amid transition from CEV-4 to CEV-5 emission norms: The construction equipment industry is currently going through a transition in terms of emission norms from CEV-4 to CEV-5. This will lead to rise in cost of production in the range of 8-10% on a blended basis for Ajax. Further, it will also be difficult for the company to pass it on entirely to the customer. In the near term, the company plans to partly absorb the cost increase and the remainder will be offset by internal measures. Accordingly, we expect gross margin to reduce from 27.1% in FY25 to 25%/25.5%/25.5% in FY26/27/28E. We expect EBITDA margin to moderate from 15.3% in FY25 to 14% in FY26E before improving to 14.5% in FY27/28E.

Exhibit 52. Gross margin to come down and stabilize at c.25.5%



Source: Company, JM Financial

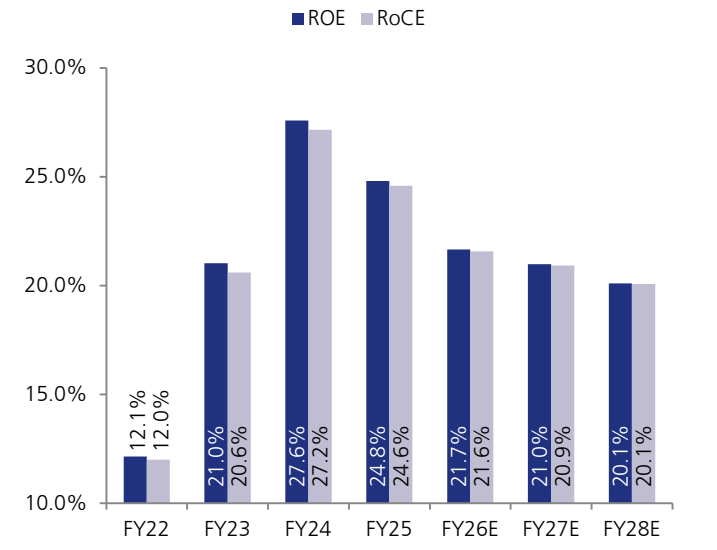
Exhibit 53. EBITDA margin to moderate to 14.5%



Source: Company, JM Financial

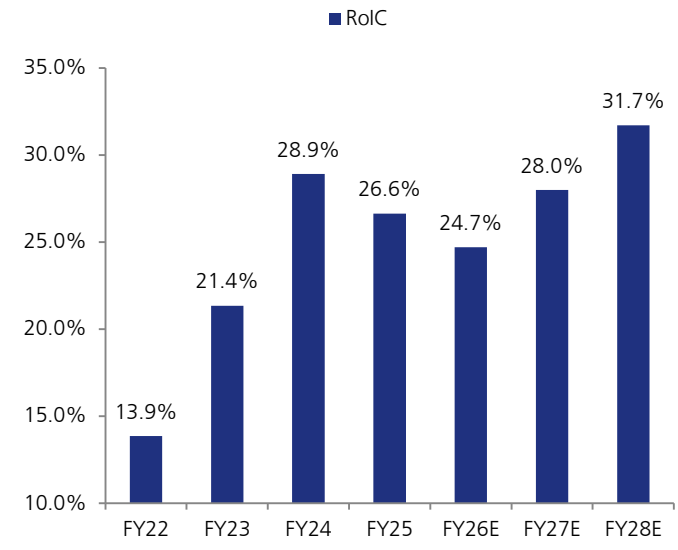
RoE/RoCE to moderate whilst being strong due to significant cash sitting on books; RoIC to expand further: Average RoE/RoCE for Ajax stood at 21.4%/21.1% over FY22-25. With strong earnings growth and no major capex along with stable working capital, we see significant built up of cash/liquid investments over the next few years. This will lead to moderation in RoE/RoCE. We expect average RoE/RoCE of 21% each over FY25-28E. Ajax reported average RoIC of 22.7% over FY22-25. We expect RoIC to expand further from 26.6% in FY25 to 28%/31.7% in FY27/28E.

Exhibit 54. ROE/RoCE to moderate



Source: Company, JM Financial

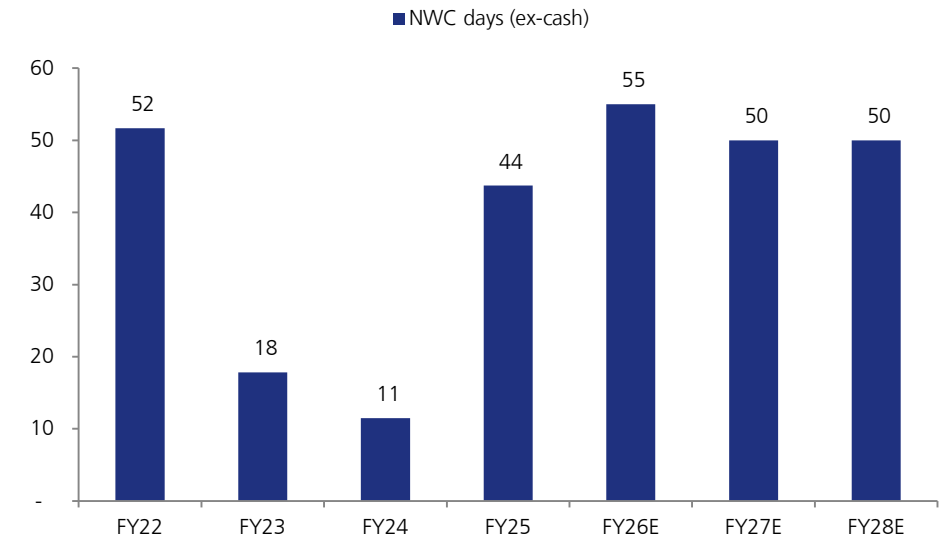
Exhibit 55. RoIC to expand further



Source: Company, JM Financial

Working capital to increase moderately amid transition from CEV-4 to CEV-5 emission norms: Average net working capital (ex-cash) stood at 27 days over FY22-24. It increased to 44 days in FY25 given the inventory build-up of CEV-4 vehicles. Given the ongoing transition to CEV-5 vehicles, we expect the working capital to further increase to 55 days in FY26. While the company expects it to normalise in FY27E, we have conservatively factored in moderation to 50 days in FY27/28E.

Exhibit 56. NWC to moderate marginally to 50 days in FY27E/28E



Source: Company, JM Financial

Strong cash conversion over FY22-25: Historically, Ajax has seen strong cash conversion with average OCF pre-tax/EBITDA of 88% over FY22-25. In FY25, OCF pre-tax/EBITDA deteriorated to 41% mainly on account of stretch in working capital cycle, which rose from 11 days in FY24 to 44 days in FY25. This sharp rise is largely due to inventory built up amid transition from CEV-4 to CEV-5 emission norms. Given the normalcy in working capital from FY27E onwards and strong uptick in operating profit, we expect OCF pre-tax/EBITDA to improve to 101% over FY26-28E.

Exhibit 57. Strong cash conversion with OCF pre-tax/EBITDA of 88% over FY22-25

INR mn	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY22-25	FY26-28E
Operating profit before NWC changes	**1,000**	**1,859**	**2,935**	**3,441**	**3,880**	**4,642**	**5,450**	**9,235**	**13,971**
NWC changes	96	457	-115	-2,133	-1,113	-176	-582	-1,694	-1,871
OCF pre tax	**1,097**	**2,317**	**2,820**	**1,308**	**2,766**	**4,466**	**4,868**	**7,542**	**12,100**
OCF post tax	847	1,847	2,075	427	1,820	3,331	3,533	5,196	8,684
EBITDA	**905**	**1,707**	**2,755**	**3,181**	**3,341**	**3,997**	**4,615**	**8,549**	**11,953**
OCF pre-tax/EBITDA	**121%**	**136%**	**102%**	**41%**	**83%**	**112%**	**105%**	**88%**	**101%**
OCF post-tax/EBITDA	94%	108%	75%	13%	54%	83%	77%	61%	73%

Source: Company, JM Financial

Exhibit 58. Key Financials

INR mn	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue	7,633	11,511	17,414	20,739	23,870	27,544	31,792
YoY growth (%)	2.9%	50.8%	51.3%	19.1%	15.1%	15.4%	15.4%
EBITDA	905	1,707	2,755	3,181	3,341	3,997	4,615
EBITDA Margin (%)	11.9%	14.8%	15.8%	15.3%	14.0%	14.5%	14.5%
YoY growth (%)	-28.6%	88.7%	61.4%	15.5%	5.0%	19.6%	15.4%
Adjusted PAT	662	1,359	2,251	2,574	2,812	3,374	3,970
Reported PAT	662	1,359	2,251	2,601	2,812	3,374	3,970
Adj PAT Margin (%)	8.7%	11.8%	12.9%	12.4%	11.8%	12.2%	12.5%
YoY growth (%)	-32.0%	105.3%	65.7%	15.5%	8.1%	20.0%	17.7%
Gross debt	72	101	62	-	-	-	-
Net debt	-3,118	-4,938	-6,902	-7,240	-8,967	-12,098	-15,380
ROE (%)	12.1%	21.0%	27.6%	24.8%	21.7%	21.0%	20.1%
RoCE (%)	12.0%	20.6%	27.2%	24.6%	21.6%	20.9%	20.1%
ROIC (%)	13.9%	21.4%	28.9%	26.6%	24.7%	28.0%	31.7%
P/Ex				26.8	25.7	21.4	18.2
EV/EBITDA				19.4	19.0	15.1	12.3

Source: Company, JM Financial

Key Risks

Dependence on SLCM sales: The company's product portfolio includes equipment such as SLCMs and batching plants for the production of concrete, transit mixers for the transportation of concrete, boom pumps, concrete pumps and self-propelled boom pumps for the placement of concrete, slip-form pavers for the paving of concrete and 3D concrete printers for depositing concrete. From its product portfolio, it derives a majority of its revenue from the sale of SLCMs (c.85% in FY25). Its business is highly dependent on the demand for concrete and concrete equipment, which is closely tied to the performance of key sectors such as construction, infrastructure, and real estate. While the company has not faced any such instances of downturn in the past few years, (other than the industry-wide effects of the Covid-19 pandemic), any sustained downturn in the construction, infrastructure and real estate sectors could lead to reduced demand for concrete and concrete equipment in the future, directly impacting its sales volume and profitability.

Regulatory compliance risks: As a comprehensive concrete equipment manufacturer, it is subject to extensive governmental regulations regarding emission levels of the equipment, noise and safety of the construction equipment, as well as levels of pollutants generated by their assembling and manufacturing facilities, which may increase its assembling and manufacturing costs and delay operations. For instance, the CEV-4 emission standards are applicable to non-road vehicles and equipment, which place stringent emission limits on such equipment. CEV-5 norms have been introduced in India from Jan'25, which represent a significant upgrade in emission standards for non-road construction equipment vehicles. The CEV-5 standards will apply to a broader range of engines and impose stricter limits on hazardous emissions like particulate matter, nitrogen oxides, and hydrocarbons, among others. Inability to comply with the applicable provisions of the statute may result in penalties which may have a material adverse effect on our results of operations.

Lease renewal uncertainty could impact financials: Ajax does not own the land where its assembling and manufacturing facilities are located; the company has taken it on a leasehold basis. The lease periods and rental amounts for such land varies, and the company cannot assure that it will be able to renew leases on commercially acceptable terms or at all. The lease for the assembling and manufacturing facilities located in Gowribidanur and Bashettihalli plot no. 3, which have been leased from Karnataka Industrial Areas Development Board (KIADB), have expired on 28th May'23, and 17th Dec'17, respectively. Further, in relation to Gowribidanur facility, the land was allotted by KIADB on lease-cum-sale basis for a period of 10 years. The lease agreements for the assembling and manufacturing facilities, which they enter into with the KIADB, subject them to certain conditions, including that the promoters' aggregate shareholding in the company will not go below 51% during the term of the lease. Pursuant to the conditions under the respective lease deeds entered for the assembling and manufacturing facilities located in Obadenahalli, Gowribidanur, Bashettihalli (Plot no. 3) and Adinarayanahosahalli, Ajax was required to obtain the consent of KIADB for a change in the constitution of the company and conversion from a private limited company to a public limited company. In case the lease is not renewed or renewed at higher rentals, it could impact the company's financial performance.

Seasonal business impact: The concrete equipment industry in India is cyclical in nature and influenced by government spending on public infrastructure and overall economic conditions affecting private infrastructure since the demand for concrete equipment is primarily driven by government infrastructure initiatives and investments from the public sector. Government infrastructure projects and public sector investments are major drivers of demand for concrete equipment. Variations in government budgets, changes in political priorities, and shifts in economic policies can lead to fluctuations in government spending on infrastructure, directly impacting the demand for the company's construction equipment. During periods of increased government spending, it may experience higher sales and stronger financial performance. Conversely, during periods of reduced government spending or economic downturns, demand for its construction equipment may decline, adversely affecting its business.

Material cost and supply risks: The company's assembling and manufacturing operations rely on third-party domestic and foreign suppliers for materials, including power train components (i.e., engines and axles), advanced hydraulic systems that enable precise control and movement of the mixer drum, and fabrication materials used in the construction of the SLCM body and frame. The company purchases a significant portion of the materials required for its assembling and manufacturing from the Indian domestic market. However, it occasionally import such materials from overseas, including China, depending on factors such as quality, price, availability, and other prevailing market conditions. Its imports constitute less than 10% of its total cost of raw materials consumed, reflecting its plan to pursue these imports selectively and only when they present a compelling opportunity in terms of quality, price, or availability. Despite the limited proportion of imports, any significant increase in the prices of these or other critical materials could materially affect its cost structure. Such an increase may adversely impact its profit margins, disrupt its production schedules, and ultimately lead to deterioration in its financials.

Geographic concentration risk: As of FY24, the company has four operational assembling and manufacturing facilities and one additional expansion facility currently under construction, all situated in Karnataka. The concentration of its assembling and manufacturing facilities in Karnataka exposes it to regional risks and adverse events specific to the state. These regional risks include disruptions to infrastructure, significant natural disasters, workforce disruptions, changes in general economic conditions, civil unrest, the regulatory environment, and local government policies, among others. While it did not face any such disruptions to its assembling and manufacturing facilities, any such disruptions in future could adversely affect its business.

Dependency on single facility: Ajax currently assembles substantially all SLCMs at the Obadenahalli facility in Bengaluru, Karnataka. It assembles a small amount of SLCMs at the Bashettihalli facility in Bashettihalli, Karnataka, but that constitutes less than 5% of its total SLCM volume. Further, a new facility at Adinarayanahosahalli, Karnataka, which will have fungible assembling/manufacturing capabilities to address additional demand, including the capability to assemble SLCMs, is currently under construction and expected to be commissioned in 2H26E. While these stoppages have not had a material impact on Ajax's operations, any prolonged disruptions at its assembling and manufacturing facilities could result in lower capacity utilisation.

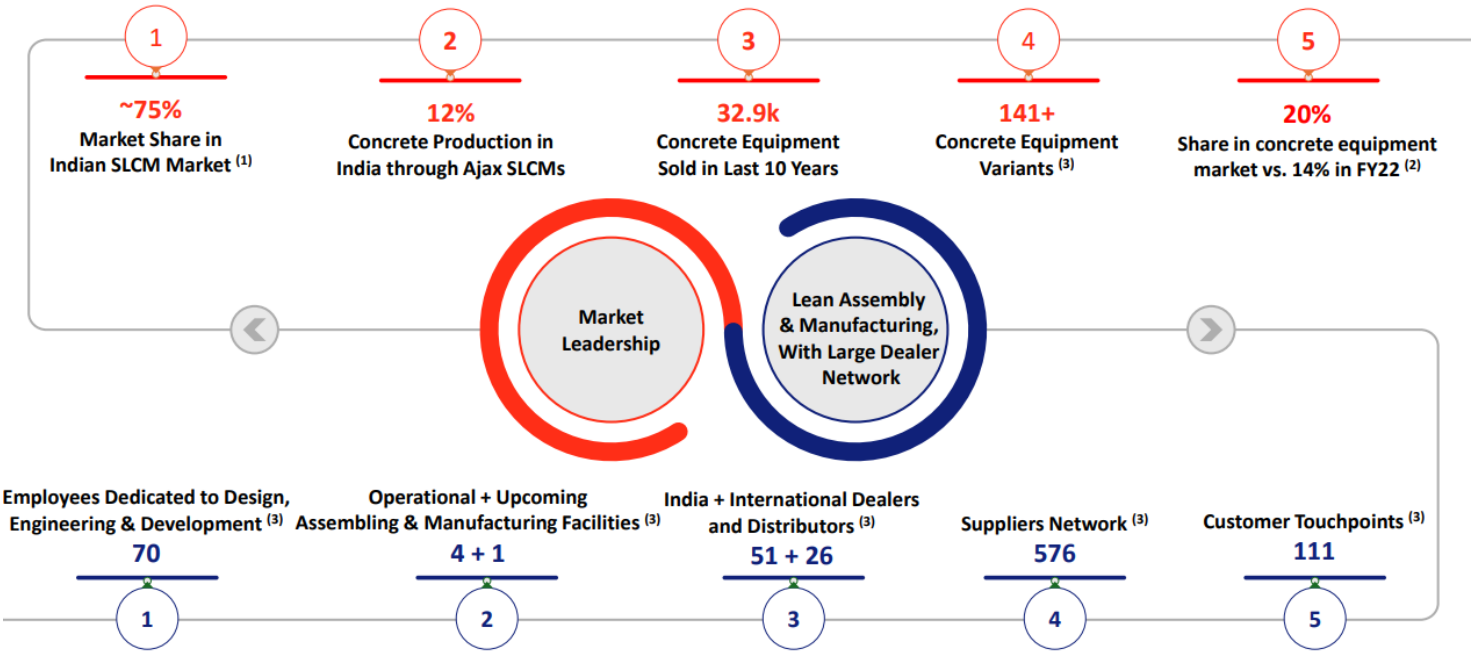
Reliance on dealer network: Ajax relies on its dealer network to sell and distribute its products (including spare parts) and provide after-sale services to end-customers. The dealers are in direct contact with the end-customers and their conduct significantly influences customer perception of the brand. Further, pursuant to the terms of the dealership agreements, dealers are responsible for stocking spare parts, maintaining inventory levels, managing sales processes and service facilities. If the dealers fail to maintain the high standards that they set for service quality, whether due to insufficient training, non-adherence to their training manual, inadequate resources, or other factors, it could lead to customer dissatisfaction. That, in turn, may impact Ajax's reputation, result in an increase in warranty claims, and could lead to a potential decline in future sales. Moreover, if the company is unable to maintain and expand the dealer network in future, its customer base and market share could be impacted. Over FY22-24, Ajax has terminated dealership agreements with 12 dealers in India due to lower-than-expected sales performance or failure to meet the company's business standards, among other factors. Dealers may also choose to terminate arrangements with Ajax due to insufficient installed capacity leading to delayed or insufficient delivery of the company's products, miscommunications, inaccurate demand forecasts, or other reasons.

Company Overview

- Company history: Ajax Engineering (Ajax) was established in 1992 for manufacturing SLCMs and is a market leader in this product. The company is headquartered at Bengaluru and has state-of-the-art manufacturing facilities at Obadenahalli, Basethahalli and Gowribidanur on the outskirts of the city. With over 3 decades of experience, the company has developed more than 141 construction equipment variants and sold over 33k units in India over the past decade, which includes 30k SLCMs. It is one of the top three global SLCM manufacturers, holding a dominant market share of 75% in India as of FY25.

  The company was founded by Mr Krishnaswamy Vijay (promoter, whole-time director and executive chairman), the late Jacob John and the late Anil Kumar Singh. It emphasises innovation and quality, supported by a skilled in-house R&D team of 70 professionals. Ajax has emerged as a next-generation concreting solutions provider which offers a complete range of products that includes self-loading concrete mixers, concrete batching plants, transit mixers, stationary pumps, boom pumps, self-propelled boom pumps, and slip-form paver offering end-to-end solutions that encompasses production, transport, placement, and pavement. Ajax has a wide geographical spread with 51 dealers across the country along with 111 touch points catering to the sales and after-sales support to its customers.

Exhibit 59. Company overview



Source: Company, JM Financial; (1): in terms of no. of units sold as of March 2025 as per Vaahan data; (2): as per Sept-24 Redseer report; (3): as of Mar-25.

Exhibit 60. Key milestones achieved

Calendar year	Milestone
1992	Introduced the concept of SLCM in India
1998	Ajax and Officine Riunite – Udine SpA collaborated to launch the Radius Lift Arm and bin batching plant
2006	Collaborated with Eurostar S.p.A to manufacture and distribute planetary mixers
2012	Inaugurated second factory at Doddaballapur, Karnataka to manufacture SLCMs
2013	Collaborated with Junjin Heavy Industries to introduce the JSP concrete pump
2014	Inaugurated third factory in Gowribidanur, Karnataka, for assembly of concrete batching plants
2018	Established dealership mode Pan India
2018	Inaugurated fourth factory in Doddaballapur, Karnataka for manufacturing SLCMs
2019	Received private equity investment of INR 3bn by Kedaara Capital Fund II LLP in the company
2019	Launched slip-form paver, the first indigenous paver designed and manufactured in India
2019	Launched Self Propelled Boom Pump
2023	Launched 3D Concrete Printing Machine

Source: Company, JM Financial

Exhibit 61. Product portfolio of Ajax

Product	Description
Self-Loading Concrete Mixers (SLCM)	SLCMs are versatile self-loading machines capable of mixing and transporting concrete ingredients, enabling on-site production of concrete. These machines are equipped with, among others, (i) self-loading arms with a hatch bucket to ensure smooth flow of concrete ingredients into the drum in order to minimise spillage, and (ii) concrete batch controllers to accurately measure all the ingredients in order to produce high quality concrete. These machines employ tight turning radius, an advanced technology to enable them to manoeuvre and deliver concrete at steep inclined terrains. They are also easily operated through a single joystick and hydraulically operated levers. The cabin within these machines is also ergonomically designed, providing machine operators greater physical comfort. These machines also contain on board water tanks coupled with high pressure jet systems to enable high-pressure cleaning after use.
Batching plants	Batching plants are facilities that facilitate mixing of a variety of ingredients, including aggregates, water, cement and additives, in precise proportions to enable production of large batches of concrete. Through supervisory control and data acquisition-based control panels with programmable logic controller units, these plants are equipped with (i) weight indicators for aggregates, water, cement and additives, thereby enabling accurate measurements, (ii) moisture correction capabilities and (iii) unlimited data storage capabilities. These plants deploy top mounted drive motors, allowing easy maintenance including for servicing of planetary mixer components, and replacing walls and floor liners. These plants also contain reversible operator posts which provide visibility to machine operators during the loading and unloading of ingredients. These plants are also equipped with aggregate bins that are customisable to facilitate loading and unloading of ingredients in an efficient manner. These plants are also lined with planetary mixers which are able to withstand the harsh concrete surface, due to its large inner diameter.
Transit mixers	Transit mixers are vehicles equipped with rotating drums used to transport freshly mixed concrete from batching plants to construction sites. These vehicles are equipped with, among others, (i) pressurised water tanks to prevent leakage of concrete from the water tank, and (ii) steel extension chutes with wear protection liner to minimize material waste as concrete is being transferred from the vehicle to the construction site. These vehicles also utilize rotating drums to continuously mix the concrete ingredients while transporting them, and have anti-wear protection made from durable steel for extended service life.
Boom pumps	Boom pumps are truck-mounted pumps that pour large amounts of concrete quickly and at height. These boom pumps are mounted on a commercial vehicle chassis featuring a hydraulic arm (boom) that extends and positions a flexible hose that can pour large amounts of concrete quickly and at height. These boom pumps are equipped with, among others, (i) hoppers to ensure smooth and unhindered flow of concrete, (ii) s-valves designed to withstand high concrete pressures in order to control the flow of concrete from the hopper to the boom, and (iii) reversible operator posts to provide visibility to machine operators while the boom pumps are moving and during loading and unloading operations. These boom pumps deploy hydraulic sensing valves to maintain or adjust the flow rate of concrete.
Concrete pumps	Concrete pumps are stationary pumps designed to efficiently pump concrete from a transit mixer at height. These concrete pumps are equipped with, among others, (i) hoppers to ensure smooth and unhindered flow of concrete, (ii) automatic greasing systems to reduce maintenance required by maintaining a grease barrier to prevent dust and dirt from entering wear surfaces, and (iii) reversible operator posts to provide visibility to machine operators during loading and unloading operations. These concrete pumps deploy hydraulic sensing valves to maintain or adjust the flow rate of concrete.
Self-propelled boom pumps	Self-propelled boom pumps are off-road mobile concrete pumping machines equipped with a hydraulic arm and which can navigate and deliver concrete to crowded and narrow roads, as well as off-highway terrains. Mounted on a 4x4 chassis, these boom pumps feature a compact design for navigating narrow urban job sites. Compared to traditional boom pumps, self-propelled boom pumps (i) are fitted with a 25-meters boom design that allows them to reach less accessible spaces and deliver concrete effectively, and (ii) have smaller turning radius of 3.5 meters, enabling better manoeuvrability in confined site conditions.
Slipform pavers	Slipform pavers are machines used in road construction that continuously pave concrete to form a uniform and seamless surface. These machines are equipped with, among others, (i) dowel bar inserters to insert dowel bars into concrete during the paving process, and (ii) smoother to flatten the concrete to ensure a smooth surface finish. These machines deploy pre-programmed steering systems for easy manoeuvrability, and implement Ackerman steering mechanism to ensure precision while working around bends. These machines also contain string line sensors to ensure accurate navigation for paving path, and cleaning systems for cleaning operations. Further, these machines utilize (i) oscillation correction beams to remove irregularities caused by dowel bar insertion, as well as (ii) spreader ploughs to uniformly spread concrete and remove excess concrete.
3D concrete printers	3D concrete printers are robotic printers which deposit concrete layer-by-layer in accordance with specified designs. These 3D concrete printers adopt automated building construction technologies, which enable them to translate a variety of computer-aided designs into physical concrete objects, including by creating structures such as villas, post offices, fire stations, wind turbine bases and sculptures. This automated building construction technology offers a rapid, cost-effective and environmentally sustainable alternative to conventional building methods. These 3D concrete printers excel in large-scale applications to support mass housing solutions to meet affordable housing goals.

Source: Company, JM Financial

- **Senior leadership**: Ajax Limited is steered by a seasoned and capable leadership team, consisting of five KMPs and six senior management personnel. The company's board of directors includes experienced independent members who bring valuable oversight. Mr Krishnaswamy Vijay, the executive chairman and whole-time director, has over 41 years of experience in the engineering and manufacturing industries. MD and CEO, Mr. Shubhabrata Saha, brings 23+ years of expertise in the automotive and allied sectors, while CFO Mr. Tuhin Basu has a strong background in finance. The senior management team features Mr. Anshul Joshi (Chief of Strategy and Product Planning) and Mr. Joseph Peeris (Chief People Officer), each with deep experience in their respective domains.

Exhibit 62. Key managerial persons

Name	Designation	Degree	Details
Mr Krishnaswamy Vijay	Whole-Time Director & Executive Chairman	B.Tech in Mechanical Engineering	He has been associated with the company since incorporation. He has 41 years' experience in the manufacturing sector. He was previously associated with Tractors Engineer Limited, Larsen & Toubro Limited.
Mr Shubhabrata Saha	MD & CEO	BSc in Engineering & Masters in Management	He has 23 years of experience in the manufacturing sector. He was previously associated with Mahindra and Mahindra.
Mr Jacob Jiten John	Whole-time Director	Bachelor's in Mechanical Engineering, MSc in Accounting & MBA	He was previously associated with the University of Rhode Island, Kingston, University of Houston, Oracle America Inc. and OxyLink Employee Service Center.
Mr Tuhin Basu	CFO	B.Com & CA	He has several years of experience in the finance sector. He was previously associated with Siemens Limited, BSR & Co., Reliance Industries Limited and Reliance Power Electronics Limited.
Mr Anshul Joshi	Chief Planning & Strategy Officer	Bachelor's in Mechanical Engineering & PGDM	He has been associated with our Company since Feb'23. He has five years of experience across manufacturing sector. He was previously associated with Mahindra and Mahindra Limited
Mr Joseph Peeris	Chief People Officer	BA & MA	He has been associated with our Company since Aug'23. He has several years of experience in the human resource sector. He was previously associated with Sterlite Industries (India) Limited, ELGI Equipment Limited, Talwandi Sabo Power Limited, Hinduja Foundries, Renault Nissan Automotive India Private Limited and Jindal Steel & Power Limited.

Source: Company, JM Financial

Exhibit 63. Board of directors

Source: Company

- **Business profile**: In addition to its SLCM portfolio, it makes a large and diverse range of non-SLCM equipment that caters to various aspects of concrete production, transportation, placement and paving processes. Its non-SLCM product portfolio includes batching plants for concrete production, transit mixers for concrete transportation, boom pumps, concrete pumps, self-propelled boom pumps for concrete placement, and slip-form pavers. Non-SLCM revenue grew by 22% CAGR over FY22-25, reflecting its expanding presence and penetration in this market.

- **Statutory auditor:** S.R. Batliboi & Associates LLP, Chartered Accountants
- **IPO details:** Ajax Engineering's IPO, launched in Feb'25, was a purely Offer for Sale (OFS) issue with a price band of INR 599 - INR 629 per share, through which promoters and existing shareholders collectively offloaded shares worth INR 12.7bn. This issue enabled full exit for private equity investor Kedaara Capital, which held c.6.5% stake pre-IPO. Promoters also undertook partial monetisation.

Exhibit 64. Shareholding pattern

Name of shareholder	Pre-Offer		As of Mar'25	
	Number of Shares (mn)	%	Number of Shares (mn)	%
Promoters				
Krishnaswamy Vijay	6.9	6.0%	5.1	4.5%
The Johns Loaves Trust	22.1	19.3%	22.1	19.3%
Kalyani Vijay	7.4	6.5%	5.7	5.0%
Jacob Hansen Family Trust	20.0	17.5%	11.7	10.2%
Ohana Trust	20.6	18.0%	20.6	18.0%
Jacob Jiten John	3.0	2.6%	0.7	0.6%
Green Haven Trust	20.6	18.0%	20.6	18.0%
Rachel Hansen	-	0.0%		0.0%
Total (A)	**100.5**	**87.9%**	**86.5**	**75.6%**
Promoter Group (other than the Promoters)				
Susie John	6.4	5.6%	5.0	4.4%
Total (B)	**6.4**	**5.6%**	**5.0**	**4.4%**
Investor Selling Shareholder				
Kedaara Capital	7.4	6.5%	0.0	0.0%
Total (C)	**7.4**	**6.5%**	**0.0**	**0.0%**
Public shareholding				
Public	-	0.0%	22.9	20.0%
Total (D)	**-**	**0.0%**	**22.9**	**20.0%**
Total (A+B+C+D)	**114.4**	**100.0%**	**114.4**	**100.0%**

Source: Company, JM Financial

Financial Tables (Standalone)

Income Statement (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	17,414	20,739	23,870	27,544	31,792
Sales Growth	51.3%	19.1%	15.1%	15.4%	15.4%
Other Operating Income	0	0	0	0	0
Total Revenue	**17,414**	**20,739**	**23,870**	**27,544**	**31,792**
Cost of Goods Sold/Op. Exp	12,762	15,117	17,893	20,520	23,698
Personnel Cost	871	1,095	1,216	1,374	1,559
Other Expenses	1,026	1,345	1,420	1,653	1,920
EBITDA	**2,755**	**3,181**	**3,341**	**3,997**	**4,615**
EBITDA Margin	15.8%	15.3%	14.0%	14.5%	14.5%
EBITDA Growth	61.4%	15.5%	5.0%	19.6%	15.4%
Depn. & Amort.	103	109	121	134	145
EBIT	2,653	3,072	3,220	3,863	4,470
Other Income	387	428	556	665	858
Finance Cost	20	18	18	20	23
PBT before Excep. & Forex	3,019	3,482	3,758	4,508	5,305
Excep. & Forex Inc./Loss(-)	0	27	0	0	0
PBT	3,019	3,509	3,758	4,508	5,305
Taxes	768	908	946	1,135	1,335
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	2,251	2,601	2,812	3,374	3,970
Adjusted Net Profit	**2,251**	**2,601**	**2,812**	**3,374**	**3,970**
Net Margin	12.9%	12.5%	11.8%	12.2%	12.5%
Diluted Share Cap. (mn)	114.4	114.4	114.4	114.4	114.4
Diluted EPS (INR)	**19.7**	**22.7**	**24.6**	**29.5**	**34.7**
Diluted EPS Growth	65.7%	15.5%	8.1%	20.0%	17.7%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Cash Flow Statement (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	3,019	3,455	3,758	4,508	5,305
Depn. & Amort.	103	109	121	134	145
Net Interest Exp. / Inc. (-)	0	0	0	0	0
Inc (-) / Dec in WCap.	15	-1,937	-1,113	-176	-582
Others	0	0	0	0	0
Taxes Paid	-768	-908	-946	-1,135	-1,335
Operating Cash Flow	**2,369**	**719**	**1,820**	**3,331**	**3,533**
Capex	-221	-228	-94	-200	-250
Free Cash Flow	2,148	492	1,727	3,131	3,283
Inc (-) / Dec in Investments	-1,302	-314	0	0	0
Others	0	0	0	0	0
Investing Cash Flow	**-1,523**	**-542**	**-94**	**-200**	**-250**
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	-248	0	0	0	0
Inc / Dec (-) in Loans	-39	-62	0	0	0
Others	63	-153	0	0	0
Financing Cash Flow	**-224**	**-216**	**0**	**0**	**0**
Inc / Dec (-) in Cash	**622**	**-38**	**1,727**	**3,131**	**3,283**
Opening Cash Balance	90	713	675	2,402	5,533
Closing Cash Balance	713	675	2,402	5,533	8,816

Source: Company, JM Financial

Balance Sheet (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	9,180	11,571	14,384	17,757	21,727
Share Capital	114	114	114	114	114
Reserves & Surplus	9,065	11,457	14,269	17,643	21,612
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	62	0	0	0	0
Def. Tax Liab. / Assets (-)	90	94	94	94	94
Total - Equity & Liab.	**9,332**	**11,665**	**14,477**	**17,851**	**21,821**
Net Fixed Assets	1,845	1,964	1,936	2,003	2,108
Gross Fixed Assets	2,080	2,275	2,575	2,775	3,025
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	408	517	638	772	917
Capital WIP	173	206	0	0	0
Investments	6,251	6,565	6,565	6,565	6,565
Current Assets	4,265	6,295	10,250	14,136	18,745
Inventories	2,267	2,576	4,578	4,905	5,662
Sundry Debtors	882	1,647	1,962	2,264	2,613
Cash & Bank Balances	713	675	2,402	5,533	8,816
Loans & Advances	0	0	0	0	0
Other Current Assets	403	1,398	1,308	1,434	1,655
Current Liab. & Prov.	3,030	3,159	4,273	4,852	5,597
Current Liabilities	2,087	2,226	3,008	3,396	3,920
Provisions & Others	943	933	1,265	1,456	1,677
Net Current Assets	1,235	3,136	5,976	9,283	13,148
Total – Assets	**9,332**	**11,665**	**14,477**	**17,851**	**21,821**

Source: Company, JM Financial

Dupont Analysis

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	12.9%	12.5%	11.8%	12.2%	12.5%
Asset Turnover (x)	2.1	2.0	1.8	1.7	1.6
Leverage Factor (x)	1.0	1.0	1.0	1.0	1.0
RoE	27.6%	25.1%	21.7%	21.0%	20.1%

Key Ratios

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	80.2	101.1	125.7	155.2	189.9
ROIC	28.9%	26.6%	24.7%	28.0%	31.7%
ROE	27.6%	24.8%	21.7%	21.0%	20.1%
Net Debt/Equity (x)	-0.1	-0.1	-0.2	-0.3	-0.4
P/E (x)	NA	26.5	25.7	21.4	18.2
P/B (x)	NA	6.0	5.0	4.1	3.3
EV/EBITDA (x)	NA	21.4	20.9	16.7	13.8
EV/Sales (x)	NA	3.3	2.9	2.4	2.0
Debtor days	18	29	30	30	30
Inventory days	48	45	70	65	65
Creditor days	52	46	53	53	53

Source: Company, JM Financial

APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081
Member of BSE Ltd. and National Stock Exchange of India Ltd.
SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610
Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.
Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com
Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: sahil.salastekar@jmfl.com
Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: instcompliance@jmfl.com

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

Research Analyst(s) Certification

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:
All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and
No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or its associates, their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the 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 company(ies) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject JM Financial Institutional Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

Additional disclosure only for U.S. persons: JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1325 Avenue of the Americas, 28th Floor, Office No. 2821, New York, New York 10019. Telephone +1 (332) 900 4958 which is registered with the SEC and is a member of FINRA and SIPC.

Additional disclosure only for U.K. persons: Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

Additional disclosure only for Canadian persons: This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions and a "permitted client" as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.