

Star Cement Ltd (STRCEM)

Q4FY24 Results Review

Rating: BUY (Target Price: ₹ 262)



*Foreseeing Margin
Expansion ...*

Volume-driven numbers partially offset by lower realisation

STRCEM reported a mixed set of numbers, EBITDA and blended realisation in line with our estimate, while revenue and volume are marginally ahead of our estimate. Revenue up by 10.1% YoY (+40.2% QoQ) to Rs9.13bn, mainly led by 13.8% YoY (+43.7% QoQ) increase in volume of 1.41mt (1.387mt cement + 0.024mt clinker) sales. However, realisation was down by 3.3% YoY and 2.4% QoQ to Rs6474. EBITDA in absolute number stood at Rs1.8bn (+8.1% YoY, +20.8% QoQ) and EBITDA margin stood at 19.7% in Q4FY24 vs. 20%/22.8% in Q4FY23/Q3FY24, respectively. EBITDA/tn was down by 5% YoY and 15.9% QoQ to Rs1274 due to lower realisation, higher logistics cost coupled with increase in raw material cost. Overall opex per tonne is down by 2.8% YoY, but increased by 1.6% QoQ. P&F cost per tonne was down (-38.5% YoY, -39% QoQ) and employee cost per tonne was down (-13.7% YoY, -30.1% QoQ). PAT stood at Rs877mn (-8.8% YoY, +19.2% QoQ). The YoY decline in PAT was due to higher depreciation charges because of growth capex during the quarter (new GU + clinker unit) coupled with higher interest and tax expenses. In addition, the company is adding 2mtpa new cement grinding unit at Silchar in Assam, expected to commission in Sep'25. We see a volume growth of 20% CAGR over FY24–FY26E at an average capacity utilisation of 67%. We expect Revenue/EBITDA/PAT growth of 21%/28%/44% CAGR over FY24–FY26E.

Capex guidance: Total capex estimated for 3.3mtpa clinker unit was ~Rs12.5bn, of which Rs10.35bn has already been spent and remaining capex of ~Rs1.5-2bn would be spent in FY25E. Till date, the company did a capex of Rs220mn for Silchar Unit and expects a major capex (Rs3bn) in FY25E and the remaining in FY26E. Also, the board of directors has decided to infuse fresh capex of Rs4.5bn for 2mtpa new GU at Jorhat in Assam in the next 2.5years (commissioning in FY27E). So, the overall capex for FY25E/FY26E is ~Rs10bn (incl. Rs2.2bn linker + Rs3bn Silchar GU +Rs550mn AAC Block + Rs300mn Jorhat for land acquisition). Also, the company is looking for capacity expansion in Rajasthan. The management is expecting a cash profit of ~Rs7.5bn for FY24, which would meet its major capex programme in FY25 and the remainder through debt estimate of ~Rs3bn. Star Cement is targeting to enhance its capacity in the northeast to 12mtpa in the next 3–4 years. It is also looking for a capacity expansion opportunity of 4–5mtpa in Rajasthan so as to cater to Delhi, Haryana, Rajasthan and Punjab markets. This would require ~Rs25bn (incl. the cost of establishment of a clinker plant) of capex

SGST incentive, AAC block profitability and cost initiatives to lead margin expansion: STRCEM's newly-commissioned clinker and grinding unit is expected to fetch Rs1.5-16bn/year of SGST incentive in FY25E. And, it will fetch an incentive of Rs2bn/year from FY26E onwards, for the next 5–6 years. STRCEM's AAC block (fly ash-based bricks) manufacturing facility would be operational by Aug'25, which could generate an additional revenue of Rs350–400mn/year with Rs100–120mn/year of PAT supported by better demand for AAC block in the northeast region (i.e., 20% YoY growth). On the cost front, the new FSA agreement with Coal India for 10 years would meet 40% of its coal requirement, along with 12MW WHRS at Meghalaya's new clinker line (by Aug'25) will further reduce avg. energy consumption. Also, the company is planning to set up 26MW (solar + wind) power in the near term.

Valuation & Outlook: At CMP Rs220, the stock trades at ~16x/~13x/~10x FY24/25E/26E EV/EBITDA. It traded at an average EV/EBITDA of ~11x in the last six years. With an improvement in profitability, return ratios & balance sheet and a continued focus on capacity addition, we expect it to trade at higher-than-historical multiples, going forward. We value the company at 10x FY26E EV/EBITDA to arrive at a target price of Rs262 (an upside of 19%) maintain with BUY rating. While, delay in capex plan and incentive, slower-than-expected demand, regional pricing pressure from new entrant are key downside risks to our call.

Key Data

Bloomberg code:	STARCEM IN
Target price (₹)	262
CMP (₹)	220
Upside/ (Downside)	19%
Rating:	BUY
Shares outstanding (mn):	404
Mcap :	Rs.89bn
52-week H/L (Rs):	256/ 122

Price Performance (%)

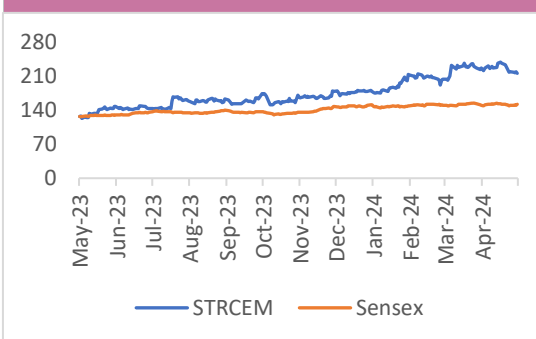
1 month	-4.6%
3 months	1.4%
12 months	70.3%

Shareholding Pattern (%)

	Sep'23	Dec'23	Mar'24
Promoter	66.6	66.5	66.6
FII's	0.8	1.1	1.5
DII's	6.1	6.0	6.1
Public/other	26.6	26.5	25.8
Pledge (0.21 mn share)			

Sources: BSE

STRCEM performance vs. Sensex



Sources: BSE

YE March (Rs Mn)	FY22	FY23	FY24	FY25E	FY26E
Revenue	22,218	27,048	29,107	34,302	42,485
Growth (%)	29.2	21.7	7.6	17.8	23.9
EBITDA	3,453	4,684	5,563	7,163	9,126
EBITDA (%)	3.8	35.7	18.8	28.8	27.4
Adj. PAT	2,468	2,476	2,951	4,627	6,092
Adj. EPS	6.1	6.1	7.3	11.4	15.1
Adj. EPS Growth (%)	34.6	0.3	19.2	56.8	31.6
ROE (%)	11.6	10.8	11.5	15.7	17.5
ROCE (%)	11.4	10.3	10.8	14.7	16.5
P/E (x)	15.8	22.9	30.1	19.2	14.6
P/B (x)	1.8	2.3	3.3	2.8	2.4
EV/EBITDA (x)	9.9	11.3	15.5	12.5	9.6

Sources: Company, ACMIIL research

4QFY24 Result details

Y/E March (Rs in mn)	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	ACMIIL Est.	Var%	FY24	FY23	YoY (%)
Net Sales	9,135	8,300	10.1	6,514	40.2	8,766	4.2	29,107	27,048	7.6
<i>Expenditure</i>										
Total RM Cost	2,092	1,967	6.3	1,250	67.3			6,540	6,257	4.5
Employee Cost	548	558	(1.8)	545	0.4			2,148	1,959	9.7
Power and Fuel Cost	1,172	1,676	(30.1)	1,336	(12.3)			5,551	5,697	(2.6)
Freight Cost	2,406	1,405	71.3	1,101	118.6			5,669	5,067	11.9
Other exp	1,120	1,032	8.5	794	41.1			3,635	3,384	7.4
Total Operating Expenses	7,338	6,638	10.6	5,026	46.0			23,544	22,365	5.3
EBITDA	1,797	1,662	8.1	1,488	20.8	1,786	0.6	5,563	4,684	18.8
EBITDA Margin (%)	19.7	20.0	(35)bps	22.8	(316)bps			19.1	17.3	180bps
Other Income	78	127	(38.5)	41	89.5			265	521	(49.2)
Interest Cost	42	12	253.2	30	40.0			126	97	30.0
Depreciation	423	351	20.5	365	15.7			1,466	1,311	11.8
PBT	1,411	1,427	(1.1)	1,134	24.4			4,236	3,797	11.6
Exceptional Items	-	-	NA	0	NA					NA
Tax	535	466	14.8	399	34.0			1,285	1,321	(2.7)
Reported PAT	877	961	(8.8)	735	19.2			2,951	2,476	19.2
Adjusted PAT	877	961	(8.8)	735	19.2	1,059	(17.2)	2,951	2,476	19.2
Adj. PAT Margin %	9.6	11.6	(198)bps	11.3	(169)bps			10.1	9.2	98bps
Adj. EPS	2.1	2.3	(8.8)	1.8	19.2			7.3	6.1	19.2

Sources: Company, ACMIIL research

Per tonne Analysis	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	ACMIIL Est.	Var%	FY24	FY23	YoY (%)
Volume (mt)	1.4	1.2	13.8	1.0	43.7	1.36	3.9	4.45	4.01	12.2
Blended Realisation	6,474	6,693	(3.3)	6,633	(2.4)	6,454	0.3	6,536	6,739	(0.8)
EBITDA (Rs/tn)	1,274	1,340	(5.0)	1,515	(15.9)	1,315	(3.1)	1,249	1,167	66
Total RM Cost (Rs/tn)	1,483	1,586	(6.5)	1,273	16.5					
Employee Cost (Rs/tn)	388	450	(13.7)	555	(30.1)					
Freight Cost (Rs/tn)	1,705	1,133	50.6	1,121	52.1					
Power and Fuel (Rs/tn)	831	1,352	(38.5)	1,361	(39.0)					
Other exp (Rs/tn)	794	832	(4.6)	808	(1.8)					
Operating Cost/mt	5,201	5,353	(2.8)	5,119	1.6					

Sources: Company, ACMIIL reseach

Operating performance Trend	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY (%)	QoQ(%)
Total RM Cost (Rs/tn)	1,855	1,579	1,800	1,201	1,586	1,721	1,334	1,273	1,483	(6.5)	16.5
Employee Cost (Rs/tn)	357	501	544	536	450	416	638	555	388	(13.7)	(30.1)
Freight Cost (Rs/tn)	1,344	1,334	1,317	1,255	1,133	1,083	1,007	1,121	1,705	50.6	52.1
Power and Fuel (Rs/tn)	1,154	1,325	1,204	1,765	1,352	1,487	1,464	1,361	831	(38.5)	(39.0)
Other exp (Rs/tn)	810	791	1,011	873	832	716	990	808	794	(4.6)	(1.8)
Operating Cost/mt	4,176	4,196	4,559	4,375	4,220	4,340	4,425	3,998	3,495	(17.2)	(12.6)
Blended EBITDA (Rs/tn)	984	1,267	782	1,194	1,340	1,111	1,100	1,515	1,274	(5.0)	(15.9)

Sources: Company, ACMIIL reseach

Con-Call Key Takeaways

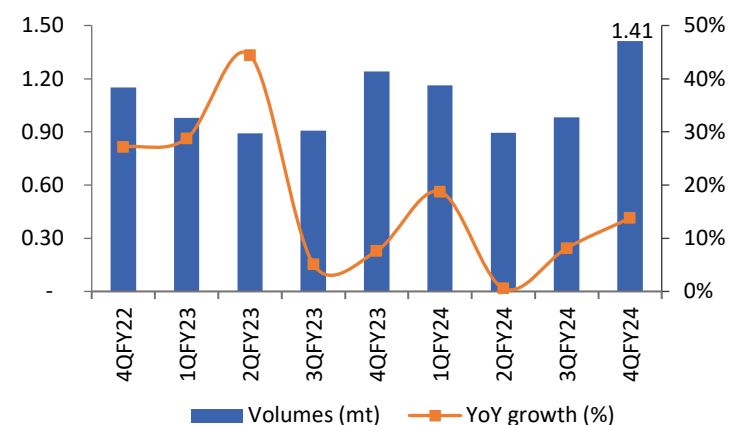
- **Demand:** The company has witnessed subdued demand in its key market regions. However, more focus on institutional sales would lead volume gain in the near term. Volume guidance is ~20% YoY in FY25E.
- **Q1FY25 may face some clinker shortage:** Also, there was some clinker purchase in the months of April and May due to a technical issue in its clinker plant during the quarter. So, there could be a clinker shortage in Q1FY25, but not in Q2FY25 as the newly-commissioned clinker unit would have started production by then.
- **Incentive:** The GST benefits from the newly-commissioned grinding unit and clinker unit would be come from Q2FY25. The total GST benefits is estimated to be Rs1.5–1.6bn in FY25E and Rs2bn/year from FY26E onwards.
- **Stable pricing in its key market regions:** Northeast prices are broadly stable, while outside northeast (i.e., West Bengal and Bihar) have seen some price drop. The average cement prices (50kg bag) in WB/Bihar have dropped to ~Rs300/bag.
- **Capex and expansion plan:** The total capex estimated for 3.3mtp clinker unit was ~Rs12.5bn, of which Rs10.35bn has already been spent. The remaining capex of ~Rs1.5–2bn would be spent in FY25E. Till date, the company did a capex of Rs220mn for Silchar unit and expects a major capex (Rs3bn) in FY25E and the remaining in FY26E. Also, the board of directors has decided to infuse a fresh capex of Rs4.5bn for 2mtpa new GU at Jorhat in Assam in the next 2.5years (commissioning in FY27E). So, the overall capex for FY25E/FY26E is ~Rs10bn (incl. Rs2.2bn Clinker + Rs3bn Silchar GU +Rs550mn AAC block + Rs300mn Jorhat for land acquisition). Also, STRCEM is looking for capacity expansion in Rajasthan.
- **Capex funding:** The management is expecting a cash profit of ~Rs7.5bn for FY24, which would fund its major capex programme in FY25 and the remaining through debt estimate of ~Rs3bn.
- **Expansion plan outside northeast:** The company is targeting to enhance its capacity to 12mtpa in the northeast in the next 3–4 years. Also, Star Cement is looking to expand capacity by 4–5mtpa in Rajasthan to cater to Delhi, Haryana, Rajasthan and Punjab markets. This would require ~Rs25bn (incl. the cost of setting up a clinker plant).
- **Further reduction in P&F cost:** In Q4FY24, the weighted average fuel consumption cost was Rs1.7/Kcal. It is expected to come down to Rs1.55/Kcal next year as the company has already signed 3.6lks tonne of FSA contract with Coal India for 10 years. This would fulfil ~40% of STRCEM's coal requirement. The contract was signed at the beginning of this month. A partial benefit of this contract could be seen from Q1FY25 and full benefit would be reaped Q2FY25 onwards.
- **Other details:** Trade: Non-Trade mix is 85%: 15%. Lead distance is 227Kms. Fuel mix – FSA/Biomass/Nagaland Coal/Spot contract coal – 4%/10%/36%/50%. OPC: PPC mix is 10%:90%.

Exhibit 1: ESG goals and targets

Modules	Target	Present Status
Green energy (Current ~ 25%)	Green energy share of 55% by FY26.	Captive solar plant - 24MW by FY2025. Group captive 26MW project is in planning stage. Existing WHRS- 12.3MW; Upcoming - 12MW (New clinker line)
Thermal Substitution Rate (TSR)	15% by FY25	AFR Feeding system approved by management. Design and Engineering ongoing.
Net Zero Carbon footprint	By 2050	We aim to follow sectoral roadmap to achieve Net Zero concrete by 2050 and we regularly review & monitor our progress to achieve set targets.
Water positivity	2x water positive by 2025	1. Construction of new reservoir with capacity of 1.5 lakh m3 at water catchment area near crusher. 2. Collaboration with communities for rainwater harvesting via pond and to assist in agriculture using drip irrigation.
Mine's 5 Star Rating	All mines to achieve 4-star rating	1. Application submitted. Inspection completed; awaiting final report.
Diversity and Inclusion	10% women of total workforce in 2025 and 12% by 2027	1. Head count raised from 168 in July to 212 in Sept (rising from 8% to 10% of the total workforce)

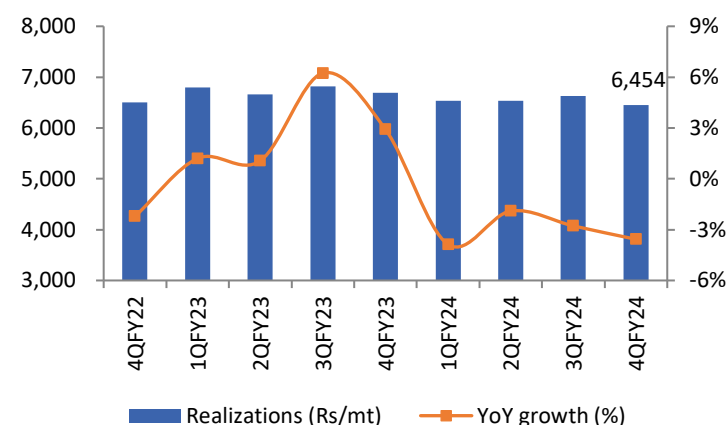
Sources: Company, ACMIIL reseach

Exhibit 2: Volume up by 14% YoY and 44% QoQ



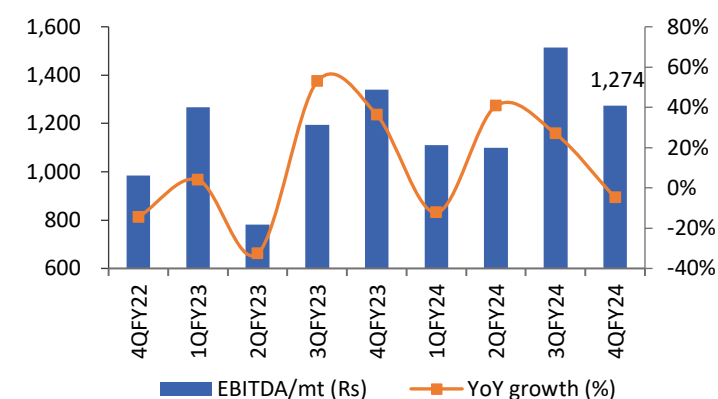
Sources: Company, ACMIIL reseach

Exhibit 3: Blended realisation down by 3.6% YoY and 2.7% QoQ



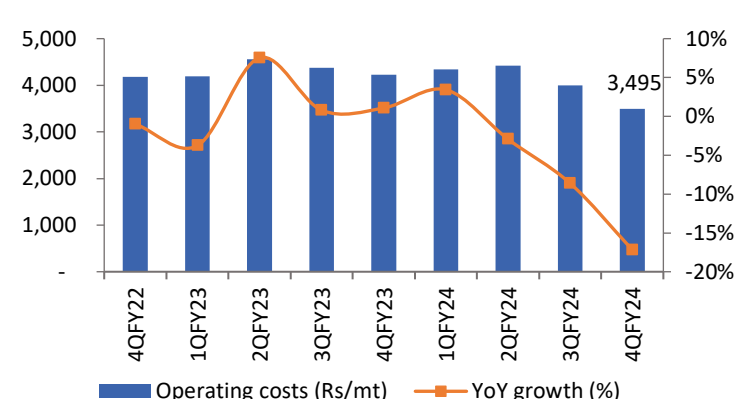
Sources: Company, ACMIIL reseach

Exhibit 4: Blended EBITDA/tn down by 5% YoY and 16% QoQ



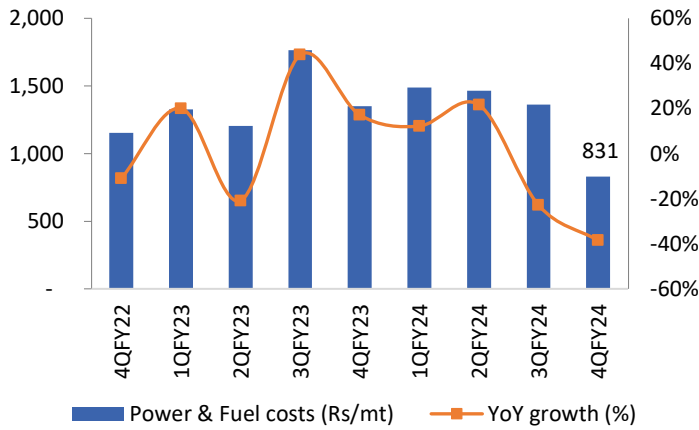
Sources: Company, ACMIIL reseach

Exhibit 5: Opex/tn down by 2.8% YoY but up by 1.6% QoQ



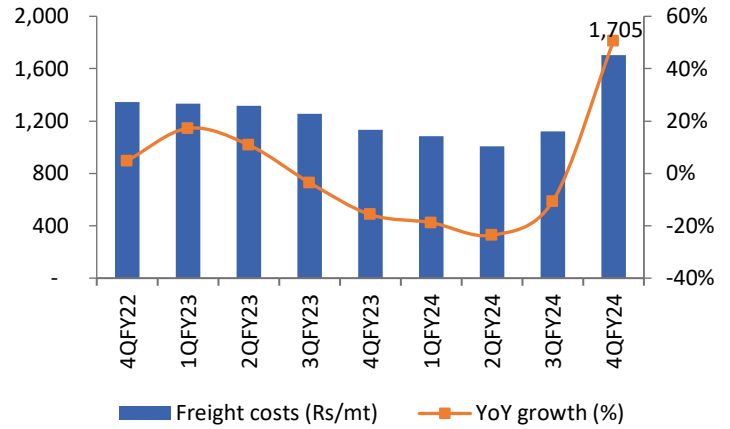
Sources: Company, ACMIIL reseach

Exhibit 6: P&F Cost/tn declined by 38.5% YoY and 39% QoQ



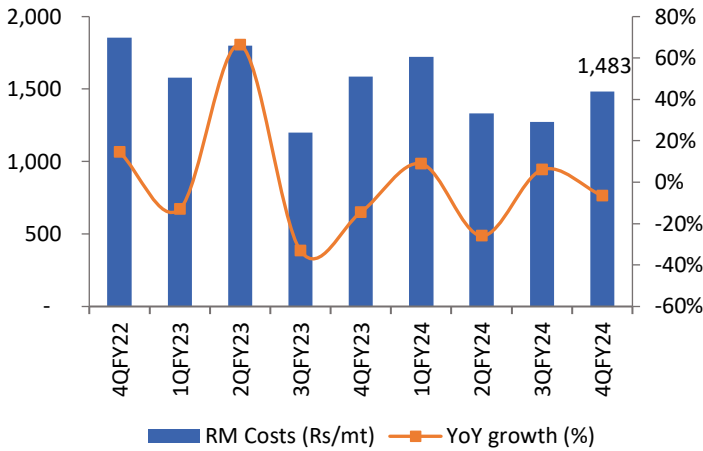
Sources: Company, ACMIIL research

Exhibit 7: Freight Cost/tn up by 51% YoY and 52% QoQ



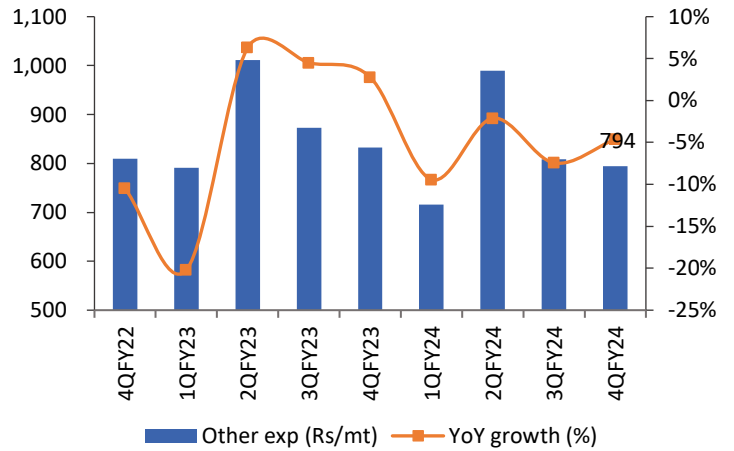
Sources: Company, ACMIIL research

Exhibit 8: RM Cost/tn down by 6.5% YoY but up 16.5% QoQ



Sources: Company, ACMIIL research

Exhibit 9: Other Exp/tn down by 4.6% YoY and 1.8% QoQ



Sources: Company, ACMIIL research

Valuation and View:

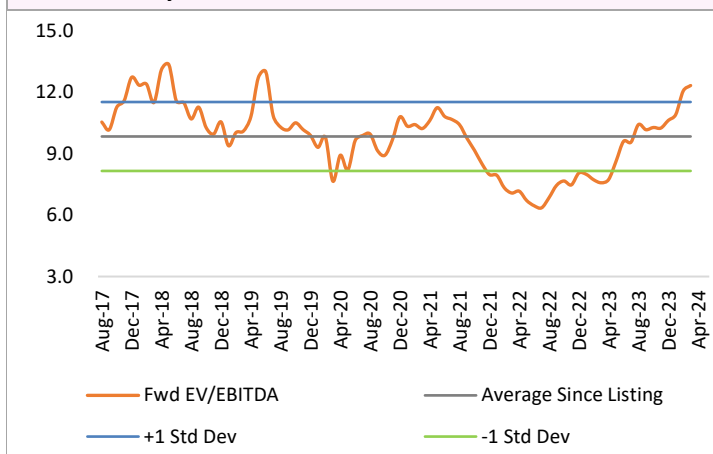
At CMP Rs220, The stock trades at 13x/10x FY25E/26E EV/EBITDA. Historically, it has traded at an average EV/EBITDA of 11x. With an improvement in profitability, return ratios & balance sheet and a continued focus on capacity addition, we expect it to trade at higher-than-historical multiples going forward. We value the company at 10x FY26E EV/EBITDA to arrive at a target price of Rs262 (an upside of 19%) and maintain with a BUY rating.

Exhibit 10: Valuation Summary

Valuation	Rs (in mn)
FY26e EBITDA (Rs mn)	9,126
Target Multiple (x)	10
EV (Rs mn)	91,261
Less: Net Debt (Rs mn)	(14,984)
Equity Value (Rs mn)	1,06,246
No of Shares (in mn)	404
Value of shares (Rs)	262
CMP (Rs)	220
Upside / (downside) %	19%

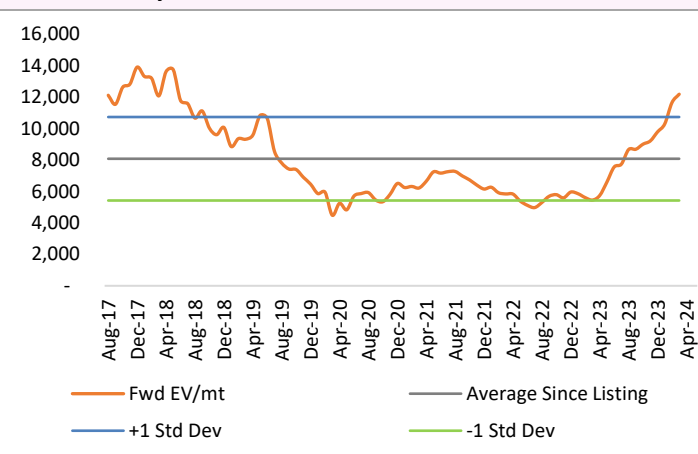
Source: Company, ACMIIL Research

Exhibit 11: 1-year forward EV/EBITDA



Sources: Company, ACMIIL research

Exhibit 12: 1-year forward EV/tonne



Sources: Company, ACMIIL research

Financial Tables (Consolidated)

Income Statement

YE March (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Net Sales	22,218	27,048	29,107	34,302	42,485
Growth (%)	29.2	21.7	7.6	17.8	23.9
RM Cost	5,740	6,257	6,540	7,720	9,683
Employee Cost	1,594	1,959	2,148	2,535	3,179
Power & Fuel Cost	4,169	5,697	5,551	6,071	7,150
Freight Cost	4,271	5,067	5,669	6,521	7,967
Other Expenses	2,993	3,384	3,635	4,291	5,380
Total Expenditure	18,766	22,365	23,544	27,139	33,359
EBITDA	3,453	4,684	5,563	7,163	9,126
Growth (%)	3.8	35.7	18.8	28.8	27.4
EBITDA margin (%)	15.5	17.3	19.1	20.9	21.5
Depreciation	1,216	1,311	1,466	1,148	1,175
EBIT	2,236	3,373	4,097	6,016	7,951
EBIT margin (%)	10.1	12.5	14.1	17.5	18.7
Other Income	334	521	265	278	292
Interest Expenses	133	97	126	123	121
PBT (Incl. EOI)	2,437	3,797	4,236	6,170	8,122
Exceptional Items	-	-	-	-	-
PBT (Excl. EOI)	2,437	3,797	4,236	6,170	8,122
Tax	(31)	1,321	1,285	1,542	2,031
Effective tax rate (%)	(1.3)	34.8	30.3	25.0	25.0
Rep. PAT	2,468	2,476	2,951	4,627	6,092
Rep. PAT Growth (%)	31.9	0.3	19.2	56.8	31.6
Rep. PAT (%)	11.1	9.2	10.1	13.5	14.3
Adj. PAT	2,468	2,476	2,951	4,627	6,092
Adj. PAT Growth (%)	(2.0)	0.3	19.2	56.8	31.6
Adj. PAT (%)	11.1	9.2	10.1	13.5	14.3

Source: Company, ACMIIL Research

Cash Flow

YE March (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
PBT	2,570	3,894	4,362	6,293	8,243
Add: Depreciation	1,216	1,311	1,466	1,148	1,175
Add: Interest	-	-	-	-	-
Chg in working cap	2,208	4	588	(216)	(887)
Tax	31	(1,321)	(1,285)	(1,542)	(2,031)
Operating Cash flow	6,025	3,888	5,131	5,683	6,500
Capex	(2,053)	(5,401)	(11,426)	(3,794)	(3,662)
Free Cash Flow	3,971	(1,513)	(6,294)	1,889	2,838
Investments	(3,186)	(76)	2,553	40	127
Investing Cash flow	(5,240)	(5,478)	(8,872)	(3,753)	(3,534)
Equity Capital	(8)	-	-	-	-
Debt	235	305	1,247	(395)	511
Dividend paid	-	-	-	-	-
Interest Paid	(133)	(97)	(126)	(123)	(121)
Others	-1,944	652	476	-0	0
Financing Cash flow	(1,850)	860	1,597	(518)	390
Net chg in cash	(1,065)	(729)	(2,144)	1,411	3,356
Opening cash position	4,911	3,847	3,117	973	2,385
Closing cash position	3,847	3,117	973	2,385	5,740

Source: Company, ACMIIL Research

Balance Sheet

YE March (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Equity share capital	404	404	404	404	404
Reserves & surplus	21,280	23,760	26,697	31,324	37,416
Net worth	21,684	24,164	27,101	31,729	37,820
Debt	157	354	1,469	752	756
Net deferred tax	-	-	-	-	-
Total Liabilities	21,841	24,517	28,571	32,480	38,576
Net block	9,086	8,772	13,989	16,851	19,337
CWIP	1,091	5,506	10,216	10,000	10,000
Investment	1,673	1,725	20	20	20
Cash & Bank Balances	3,847	3,117	973	2,385	5,740
Other Current Assets	11,755	12,192	10,826	11,765	13,788
Other Current Liabilities	5,610	6,797	7,453	8,540	10,309
Net Current Assets	1,297	2,292	3,329	5,179	8,868
Total Assets	21,841	24,517	28,571	32,480	38,576

Source: Company, ACMIIL Research

Key Ratios

YE March (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Per Share Data (Rs)					
EPS	51.8	5.3	53.0	91.1	15.1
CEPS	103.3	71.5	125.3	167.1	18.0
BVPS	785	777	825	911	94
DPS	10.0	10.0	10.0	10.0	0.0
Valuations (x)					
PER	20.2	212.9	28.5	16.5	14.6
P/CEPS	10.1	15.7	12.0	9.0	12.2
P/BV	1.3	1.4	1.8	1.7	2.4
EV / Sales	1.5	1.4	1.5	1.4	2.1
EV / EBITDA	10.4	15.9	11.2	8.4	9.6
Dividend Yield (%)	-	-	-	-	-
Return Ratio (%)					
RoCE	6.3	4.4	7.0	9.5	16.5
RoE	6.9	0.7	6.6	10.5	17.5
RoIC	10.8	9.7	12.0	16.9	19.3
Gearing Ratio (x)					
Net Debt/ Equity	0.6	0.6	0.5	0.3	-0.1
Net Debt/EBITDA	-1.1	-0.6	0.1	-0.2	-0.5
Working Cap Cycle (days)	48	41	30	22	43
Profitability (%)					
EBITDA Margin	15.5	17.3	19.1	20.9	21.5
EBIT Margin	10.1	12.5	14.1	17.5	18.7
Adj. PAT Margin	11.1	9.2	10.1	13.5	14.3

Source: Company, ACMIIL Research

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	$\geq 15\%$
SELL	$< -10\%$
HOLD	$> -10\%$ to 15%

Institutional Research Desk:

Email: instresearch@acm.co.in

Research Analyst Registration

Number:

INH000002483

CIN: U65990MH1993PLC075388

Download Investmentz app:



Follow us on:



Information pertaining to Asit C. Mehta Investment Intermediates Limited (ACMIIL):

ACMIIL is a SEBI registered Stock Broker, Merchant Banker, Portfolio Manager, Research Analyst and Depository Participant. It is also a AMFI registered Mutual Fund Distributor. Its associate/group companies are Asit C. Mehta Advisors Limited, Asit C. Mehta Financial Services Limited, and Edgytal Fintech Investment Services Private Limited (all providing services other than stock broking, merchant banking and portfolio management services.).

Disclosures

ACMIIL/its associates and its Research analysts have no financial interest in the companies covered on the report. ACMIIL/its associates and Research analysts did not have actual/beneficial ownership of one per cent or more in the companies being covered at the end of month immediately preceding the date of publication of the research report. ACMIIL/its associates or Research analysts have no material conflict of interest, have not received any compensation/benefits for any reason (including investment banking/ merchant banking or brokerage services) from either the companies concerned/third parties with respect to the companies covered in the past 12 months. ACMIIL/its associates and the Research analyst covering the companies mentioned herein do not have any material conflict of interest as regards the said company. ACMIIL/its associates and research analysts have neither managed or co-managed any public offering of securities of the companies covered nor engaged in market making activity for the companies being covered. Further, the companies covered neither are/nor were a client during the 12 months preceding the date of the research report. Further, the Research analyst/s covering the companies covered herein have neither served as an officer/director or employee of the companies being covered nor have they received any compensation from the companies being covered during the 12 months preceding the date of the research report.

Disclaimer:

This report is based on information that we consider reliable, but we do not represent that it is accurate or complete and it should not be relied upon such. ACMIIL or any of its affiliates or employees shall 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 the report. To enhance transparency we have incorporated a Disclosure of Interest Statement in this document. This should however not be treated as endorsement of the views expressed in the report.

You are also requested to refer to the disclaimer (which is deemed to be part and parcel and is applicable to this research report as well) :

<http://www.investmentz.com/disclaimer>