

# Birla Corporation

Refer to important disclosures at the end of this report

## Capacity expansion to boost growth; maintain buy

- BCORP benefitted from higher sales volume and lower opex, which led to a 23% rise in EBITDA and 3.2pp improvement in OPM. Adjusted EBITDA stood at Rs3.6bn. OPM at 20.4% was in line with our estimate. Capacity utilization of its plants rose 4pp yoy to 92%.
- Key positives: 1) 29% yoy sales growth in premium products; 2) one of the best capacity utilization in the industry; 3) Rs730mn reduction in gross debt in 9MFY21 despite Rs7.3bn additional debt for new project; 4) 25.4% yoy/4% qoq reduction in interest expense as borrowing costs fell 1pp yoy. Volume grew 3.5% yoy. Realization fell 2.2% qoq.
- BCORP aims to achieve 25mt capacity by CY25. The 3.9mt Greenfield plant at Mukutban, Maharashtra, is likely to be commissioned by Q3FY22. Brownfield expansion of clinker capacity (0.4mt) at Chanderia, Rajasthan, will be completed in Q1FY22. Kundanganj, UP expansion plan has been revived after being kept on hold due to Covid-19 issues.
- We raise FY21-23E EBITDA by 1-3% on higher volumes. We like BCORP due to 1) its capacity addition plans and 2) cost-saving initiatives - solar power plants and coal mining through acquired blocks. Maintain Buy on the stock.

**Lower opex and higher sales volumes boost profits:** BCORP benefitted from lower opex (lower variable due to a decline in RM costs and employee costs) and higher sales volumes in Q3. Sales volume grew 3.5% yoy, leading to higher capacity utilization of 92% (up 4pp yoy). Sale of premium products was up 29% yoy and accounted for 53% of trade sales (up 12pp yoy). Cement realization was up 0.6% yoy, though it was down 2.2% qoq as cement prices came under pressure in Q3. Revenue from the Jute business increased 31.7% yoy. Opex/ton fell 3.3% yoy due to a 10.5% yoy decline in variable cost/ton (impact of low RM costs). Employee expense/ton declined 5.2% yoy. Freight cost was up 1.4% yoy/3.2% qoq. Lower opex and higher sales volumes led to 23% yoy growth in EBITDA with 3.2pp improvement in OPM. EBITDA/ton stood at Rs992 vs. Rs850/Rs1,154 in Q3FY20/Q2FY21. The Jute business reported EBIT of Rs58.6mn vs. Rs43.7mn in Q3FY20. Lower interest rates (down 1pp yoy) and debt reduction (Rs41bn vs. Rs42.3bn at Mar'20) led to a 25.4% yoy decline in interest expense. Adjusted profit was up 83.4% yoy.

**Maintain Buy considering capex plans and cost-saving initiatives:** We raise FY21-23E EBITDA by 1-3% on higher volumes. BCORP operated its plants at much higher capacity utilization of 87% in FY20 despite volume loss in Mar'20. The company plans to increase its capacities by 5.1mt through 1) Greenfield unit of 3.9mt at Mukutban, Maharashtra, by Q3FY22, and 2) grinding capacity expansion of 1.2mt at its Kundanganj, UP plant. It will increase clinker capacity at Chanderia, Rajasthan plant by 0.4mt through debottlenecking. We believe that capacity expansion in Maharashtra will help the company in geographical diversification. It will benefit from cost-saving strategies: 1) solar power plants will help cut cost by Rs10/ton; 2) coal mining from acquired mines will reduce cost by Rs68/ton; and 3) clinker transfer to existing grinding unit in Maharashtra from Mukutban will help achieve cost savings of Rs13/ton (on a blended basis). BCORP trades at 6.6x/5.6x FY22/23E EV/EBITDA and EV/ton of USD63, which appear attractive relative to its peers. We retain Buy with a TP of Rs930 (7x FY23E EV/EBITDA and post-tax incentives at a WACC of 11%). Key risks include a significant decline in cement prices and lower demand in key markets.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Cement & Building Materials \(Page 8\)](#)

### Financial Snapshot (Consolidated)

(Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	65,487	69,240	67,101	76,094	84,117
EBITDA	9,486	13,443	13,457	14,127	15,879
EBITDA Margin (%)	14.5	19.4	20.1	18.6	18.9
APAT	2,557	5,135	5,013	5,012	5,727
EPS (Rs)	33.2	66.7	65.1	65.1	74.4
EPS (% chg)	53.6	100.8	(2.4)	0.0	14.3
ROE (%)	7.2	13.2	11.6	10.5	10.9
P/E (x)	21.7	10.8	11.1	11.1	9.7
EV/EBITDA (x)	9.3	6.5	6.6	6.6	5.6
P/BV (x)	1.5	1.3	1.2	1.1	1.0

Source: Company, Emkay Research

<b>CMP</b>	<b>Target Price</b>
<b>Rs 721</b> as of (January 19, 2021)	<b>Rs 930 (▲)</b> 12 months
<b>Rating</b>	<b>Upside</b>
<b>BUY (■)</b>	<b>29.0 %</b>

### Change in Estimates

EPS Chg FY21E/FY22E (%)	5.7/2.3
Target Price change (%)	2.2
Target Period (Months)	12
Previous Reco	BUY

### Emkay vs Consensus

	EPS Estimates	
	FY21E	FY22E
Emkay	65.1	65.1
Consensus	64.4	68.7
Mean Consensus TP (12M)	Rs 1,008	

### Stock Details

Bloomberg Code	BCORP IN
Face Value (Rs)	10
Shares outstanding (mn)	77
52 Week H/L	808 / 372
M Cap (Rs bn/USD bn)	56 / 0.76
Daily Avg Volume (nos.)	295,353
Daily Avg Turnover (US\$ mn)	2.9

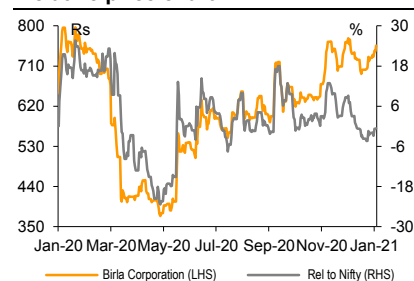
### Shareholding Pattern Dec '20

Promoters	62.9%
FIIIs	3.8%
DIIIs	13.6%
Public and Others	19.7%

### Price Performance

(%)	1M	3M	6M	12M
<b>Absolute</b>	4	13	29	(3)
<b>Rel. to Nifty (2)</b>	(6)	-	(18)	

### Relative price chart



Source: Bloomberg

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**Sanjeev Kumar Singh**

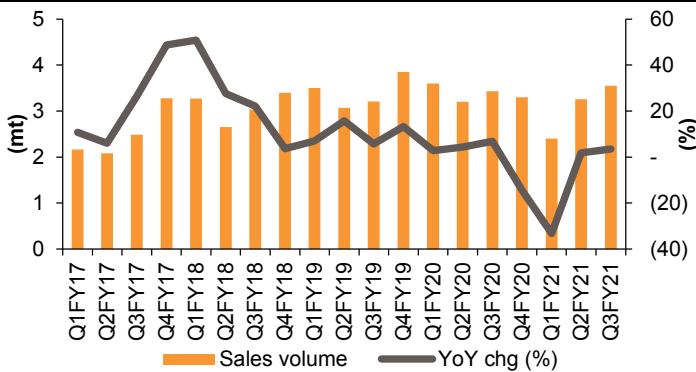
sanjeev.singh@emkayglobal.com  
+91 22 6612 1255

**Aman Jain**

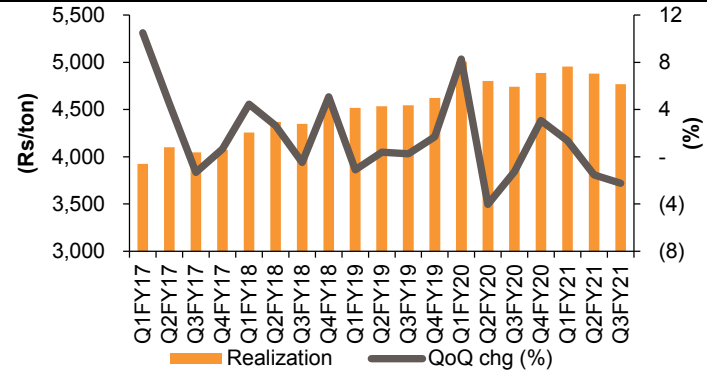
aman.jain@emkayglobal.com  
+91 22 6612 1285

# Story in Charts

**Exhibit 1: Sales volumes up 3.5% yoy**



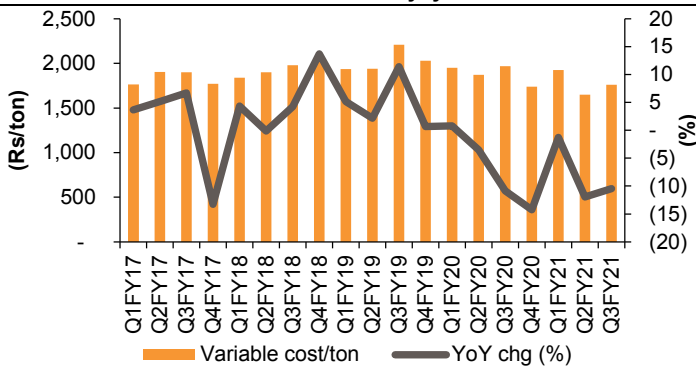
**Exhibit 2: Realization up 0.6% yoy, but down 2.2% qoq**



Source: Emkay Research, Company

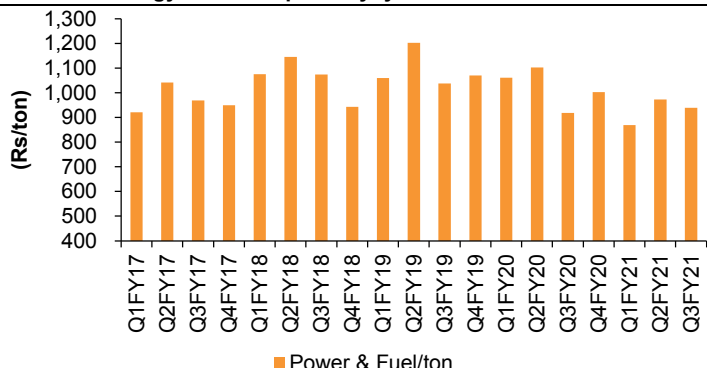
Source: Emkay Research, Company

**Exhibit 3: Variable cost/ton down 10.5% yoy**



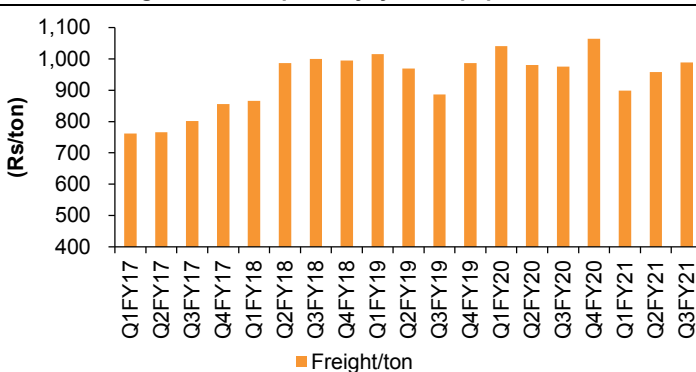
Source: Emkay Research, Company

**Exhibit 4: Energy cost/ton up 2.3% yoy**



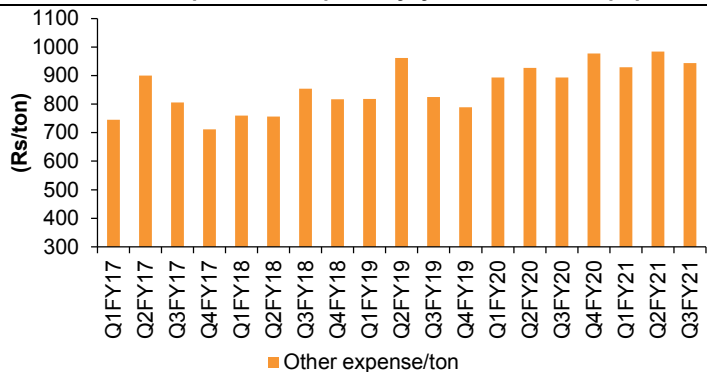
Source: Emkay Research, Company

**Exhibit 5: Freight cost/ton up 1.4% yoy/3.2% qoq**



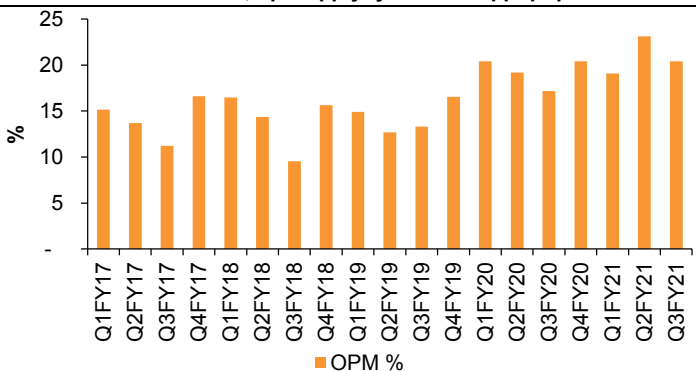
Source: Emkay Research, Company

**Exhibit 6: Other expenses/ton up 5.7% yoy, but down 4.1% qoq**



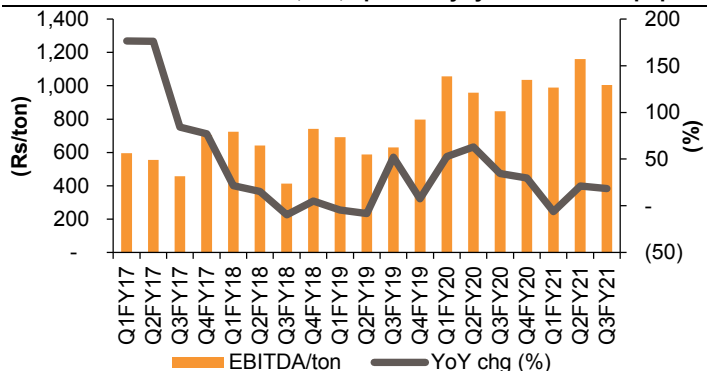
Source: Emkay Research, Company

**Exhibit 7: OPM at 20.4%, up 3.2pp yoy/ down 2.7pp qoq**



Source: Company, Emkay Research

**Exhibit 8: EBITDA/ton at Rs1,005, up 18.6% yoy/ down 13.4% qoq**



Source: Company, Emkay Research

**Exhibit 9: Actual vs. Estimates (Q3FY21)**

(in Rs mn)	Actual	Estimates		% variation		Comment
		(Emkay)	(Consensus)	Emkay	Consensus	
Sales	17,766	17,714	17,753	0.3	0.1	In-line with estimates
Adj. EBITDA	3,624	3,597	3,571	0.8	1.5	In-line with estimates
EBITDA margin (%)	20.4	20.3	20.1	9bps	28bps	
Adj. PAT	1,495	1,429	1,432	4.6	4.4	In-line with estimates

Source: Company, Emkay Research

**Exhibit 10: Quarterly result**

Rs mn	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	YoY (%)	QoQ (%)	9MFY20	9MFY21	YoY %
Revenue	17,151	16,900	12,220	16,543	17,766	3.6	7.4	52,257	46,528	(11.0)
Expenditure	14,205	13,453	9,889	12,716	14,143	(0.4)	11.2	42,344	36,747	(13.2)
as % of sales	82.8	79.6	80.9	76.9	79.6			81.0	79.0	
Consumption of RM	3,598	2,427	2,536	2,204	2,918	(18.9)	32.4	9,269	7,658	(17.4)
as % of sales	21.0	14.4	20.8	13.3	16.4			17.7	16.5	
Employee Expenses	1,047	976	880	1,008	1,028	(1.9)	2.0	3,103	2,915	(6.0)
as % of sales	6.1	5.8	7.2	6.1	5.8			5.9	6.3	
Power, Oil & Fuel	3,152	3,311	2,086	3,173	3,336	5.8	5.1	10,498	8,595	(18.1)
as % of sales	18.4	19.6	17.1	19.2	18.8			20.1	18.5	
Freight & Handling	3,346	3,513	2,157	3,123	3,511	5.0	12.4	10,232	8,792	(14.1)
as % of sales	19.5	20.8	17.7	18.9	19.8			19.6	18.9	
Other Expenses	3,062	3,226	2,230	3,207	3,350	9.4	4.4	9,242	8,787	(4.9)
as % of sales	17.9	19.1	18.2	19.4	18.9			17.7	18.9	
EBITDA	2,946	3,446	2,331	3,827	3,624	23.0	(5.3)	9,913	9,782	(1.3)
Depreciation	884	894	877	918	908	2.7	(1.1)	2,625	2,702	2.9
EBIT	2,063	2,553	1,455	2,909	2,716	31.7	(6.6)	7,288	7,079	(2.9)
Other Income	203	281	190	212	146	(28.1)	(30.9)	571	548	(3.9)
Interest	977	909	800	760	730	(25.4)	(4.0)	2,967	2,289	(22.9)
PBT	1,289	1,924	845	2,361	2,133	65.5	(9.7)	4,892	5,339	9.1
Total Tax	474	99	188	694	638	34.7	(8.1)	1,787	1,520	(14.9)
Adjusted PAT	815	1,825	658	1,666	1,495	83.4	(10.3)	3,105	3,819	23.0
Extra ordinary items	-	(122)	-	-	(11)	n/m	n/m	-	(11)	n/m
Reported PAT	815	1,703	658	1,666	1,484	82.1	(10.9)	3,105	3,808	22.7
Adjusted EPS (Rs)	10.6	23.7	8.5	21.6	19.4	83.4	(10.3)	40.3	49.6	23.0

Margins (%)						bps				bps
EBITDA	17.2	20.4	19.1	23.1	20.4	322	(274)	19.0	21.0	205
EBIT	12.0	15.1	11.9	17.6	15.3	326	(230)	13.9	15.2	127
EBT	7.5	11.4	6.9	14.3	12.0	449	(227)	9.4	11.5	211
PAT	4.8	10.8	5.4	10.1	8.4	366	(166)	5.9	8.2	227
Effective Tax rate	36.8	5.1	22.2	29.4	29.9	(684)	50	36.5	28.5	(806)

Source: Company, Emkay Research

**Exhibit 11: Operating cost analysis on per ton basis**

Particulars (Rs/ton)	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	YoY (%)	QoQ (%)	9MFY20	9MFY21	YoY %
Cement Volumes (mt)	3.43	3.30	2.40	3.26	3.55	3.5	8.9	10.2	9.2	(10.0)
Raw Material Consumed	1,049	735	1,057	676	822	(21.6)	21.6	906	831	(8.2)
Employee Expenses	305	296	367	309	289	(5.2)	(6.4)	303	317	4.4
Power, Oil & Fuel	919	1,003	869	973	940	2.3	(3.5)	1,026	933	(9.1)
Freight	975	1,065	899	958	989	1.4	3.2	1,000	955	(4.6)
Other Expenses	647	754	776	803	725	12.1	(9.7)	663	766	15.5
Total Cost	3,895	3,853	3,967	3,720	3,765	(3.3)	1.2	3,899	3,802	(2.5)
Realization	4,743	4,889	4,956	4,880	4,770	0.6	(2.2)	3,264	3,019	(7.5)
EBITDA	847	1,036	989	1,160	1,005	18.6	(13.4)	(635)	(783)	23.3

Source: Company, Emkay Research

## Exhibit 12: Changes in estimates

Particulars (Rs mn)	FY21E			FY22E			FY23E		
	Revised	Previous	Chg (%)	Revised	Previous	Chg (%)	Revised	Previous	Chg (%)
Sales volume -mt	13.1	12.8	2.1	14.9	14.6	2.0	16.2	15.9	2.0
Realization Rs/ton)	4,756	4,756	-	4,766	4,777	(0.2)	4,848	4,858	(0.2)
Sales	67,101	65,775	2.0	76,094	74,833	1.7	84,117	82,754	1.6
EBITDA	13,457	13,097	2.8	14,127	13,976	1.1	15,879	15,720	1.0
OPM (%)	20.1	19.9	14.4	18.6	18.7	(11.0)	18.9	19.0	(11.9)
Profit	5,013	4,745	5.7	5,012	4,899	2.3	5,727	5,609	2.1
EPS (Rs)	65.1	61.6	5.7	65.1	63.6	2.3	74.4	72.8	2.1

Source: Company, Emkay Research

## Exhibit 13: Key Assumptions

Key Assumptions	FY18	FY19	FY20	FY21E	FY22E	FY23E
Sales Volumes (mt)	12.3	13.8	13.7	13.1	14.9	16.2
Realization (Rs/ton)	4,061	4,359	4,682	4,756	4,766	4,848
<b>Per ton costs (Rs)</b>						
Raw material	926	943	845	1,006	1,012	1,003
Employee cost	289	268	299	294	282	279
Power & Fuel	1,055	1,073	1,012	1,034	1,078	1,100
Freight	960	980	1,007	1,006	1,012	1,003
<b>Total Cost</b>	<b>3,986</b>	<b>4,047</b>	<b>4,088</b>	<b>4,096</b>	<b>4,166</b>	<b>4,201</b>
EBITDA	654	686	988	1,028	950	977

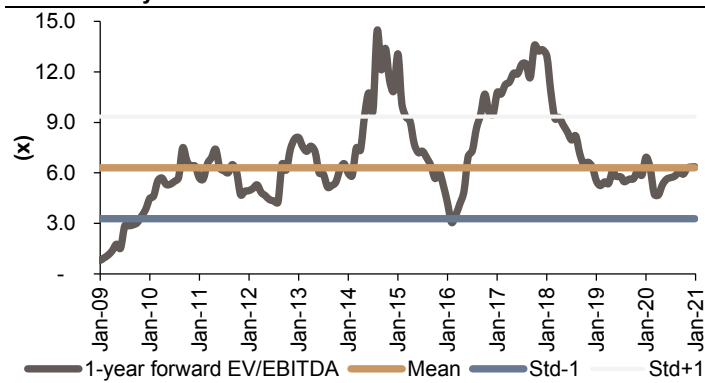
Source: Company, Emkay Research

## Exhibit 14: Peer Valuation

Company	Rs bn Mcap	EV/EBITDA (x)			EV/Ton (USD)			P/E (x)		
		FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
<b>Birla Corp</b>	<b>56</b>	<b>6.6</b>	<b>6.6</b>	<b>5.6</b>	<b>76</b>	<b>63</b>	<b>57</b>	<b>11.1</b>	<b>11.1</b>	<b>9.7</b>
UltraTech Cement	1,598	15.5	14.3	12.2	195	185	174	29.3	26.3	22.1
Shree Cements	855	22.3	19.4	16.9	254	237	231	48.2	42.3	37.2
Ambuja Cements*	512	15.5	14.5	12.1	183	168	161	28.9	28.5	24.6
ACC*	319	10.6	9.3	8.6	106	104	104	23.2	20.4	18.7
Ramco Cements	191	14.0	13.7	12.0	147	138	132	22.9	23.6	20.6
JK Cement	162	13.1	12.5	11.0	147	145	142	28.7	26.2	22.0
India Cements	52	10.6	9.9	8.6	72	69	66	26.8	25.1	19.5
Prism Cement	42	11.5	10.7	9.1	106	107	105	54.3	45.3	28.5
Star Cement	41	10.3	7.9	7.0	94	88	84	16.2	13.2	12.4
JK Lakshmi Cement	38	6.4	5.9	5.3	50	47	44	14.5	13.1	11.7
Orient Cement	17	5.5	5.8	5.1	44	42	39	10.3	12.3	10.5

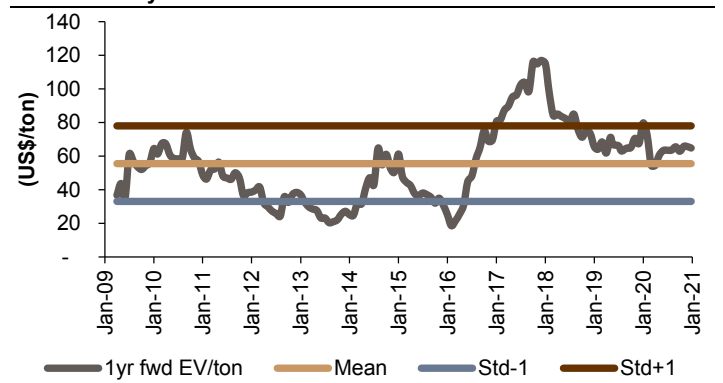
Source: Company, Emkay Research

## Exhibit 15: 1-yr forward EV/EBITDA chart



Source: Bloomberg, Company, Emkay Research

## Exhibit 16: 1-yr forward EV/ton chart



Source: Bloomberg, Company, Emkay Research

**Key Financials (Consolidated)****Income Statement**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
<b>Revenue</b>	<b>65,487</b>	<b>69,240</b>	<b>67,101</b>	<b>76,094</b>	<b>84,117</b>
<b>Expenditure</b>	<b>56,001</b>	<b>55,797</b>	<b>53,643</b>	<b>61,966</b>	<b>68,238</b>
<b>EBITDA</b>	<b>9,486</b>	<b>13,443</b>	<b>13,457</b>	<b>14,127</b>	<b>15,879</b>
Depreciation	3,391	3,519	3,608	4,098	4,769
<b>EBIT</b>	<b>6,095</b>	<b>9,924</b>	<b>9,850</b>	<b>10,030</b>	<b>11,110</b>
Other Income	785	851	796	812	828
Interest expenses	3,705	3,877	3,911	4,109	4,245
<b>PBT</b>	<b>3,174</b>	<b>6,898</b>	<b>6,735</b>	<b>6,733</b>	<b>7,693</b>
Tax	617	1,763	1,722	1,721	1,967
Extraordinary Items	0	0	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
<b>Reported Net Income</b>	<b>2,557</b>	<b>5,135</b>	<b>5,013</b>	<b>5,012</b>	<b>5,727</b>
<b>Adjusted PAT</b>	<b>2,557</b>	<b>5,135</b>	<b>5,013</b>	<b>5,012</b>	<b>5,727</b>

**Balance Sheet**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Equity share capital	770	770	770	770	770
Reserves & surplus	44,182	48,621	52,938	57,579	62,748
<b>Net worth</b>	<b>44,952</b>	<b>49,391</b>	<b>53,708</b>	<b>58,349</b>	<b>63,519</b>
<b>Minority Interest</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Loan Funds</b>	<b>40,492</b>	<b>42,260</b>	<b>42,760</b>	<b>46,560</b>	<b>43,760</b>
Net deferred tax liability	7,422	8,568	8,568	8,568	8,568
<b>Total Liabilities</b>	<b>92,866</b>	<b>100,219</b>	<b>105,036</b>	<b>113,477</b>	<b>115,847</b>
<b>Net block</b>	<b>72,633</b>	<b>73,256</b>	<b>75,006</b>	<b>95,308</b>	<b>100,540</b>
<b>Investment</b>	<b>8,778</b>	<b>8,362</b>	<b>6,372</b>	<b>5,872</b>	<b>5,872</b>
<b>Current Assets</b>	<b>21,813</b>	<b>25,428</b>	<b>27,793</b>	<b>28,309</b>	<b>29,733</b>
Cash & bank balance	1,390	3,888	4,442	5,176	5,676
Other Current Assets	0	0	0	0	0
<b>Current liabilities &amp; Provision</b>	<b>20,450</b>	<b>22,865</b>	<b>23,173</b>	<b>23,051</b>	<b>23,337</b>
<b>Net current assets</b>	<b>1,364</b>	<b>2,563</b>	<b>4,619</b>	<b>5,258</b>	<b>6,396</b>
Misc. exp	0	0	0	0	0
<b>Total Assets</b>	<b>92,866</b>	<b>100,219</b>	<b>105,036</b>	<b>113,477</b>	<b>115,847</b>

**Cash Flow**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
<b>PBT (Ex-Other income) (NI+Dep)</b>	<b>3,174</b>	<b>6,898</b>	<b>6,735</b>	<b>6,733</b>	<b>7,693</b>
Other Non-Cash items	(470)	0	0	0	0
Chg in working cap	1,309	1,299	(1,502)	96	(639)
<b>Operating Cashflow</b>	<b>10,641</b>	<b>14,975</b>	<b>11,030</b>	<b>13,314</b>	<b>14,101</b>
Capital expenditure	(4,197)	(10,088)	(8,358)	(12,400)	(6,000)
<b>Free Cash Flow</b>	<b>6,444</b>	<b>4,887</b>	<b>2,672</b>	<b>914</b>	<b>8,101</b>
Investments	(2,271)	416	1,990	500	0
Other Investing Cash Flow	0	0	0	0	0
<b>Investing Cashflow</b>	<b>(5,434)</b>	<b>(9,672)</b>	<b>(6,368)</b>	<b>(11,900)</b>	<b>(6,000)</b>
Equity Capital Raised	0	0	0	0	0
Loans Taken / (Repaid)	(1,297)	1,768	500	3,800	(2,800)
Dividend paid (incl tax)	(603)	(696)	(696)	(371)	(557)
Other Financing Cash Flow	0	0	0	0	0
<b>Financing Cashflow</b>	<b>(5,349)</b>	<b>(2,805)</b>	<b>(4,107)</b>	<b>(680)</b>	<b>(7,602)</b>
<b>Net chg in cash</b>	<b>(141)</b>	<b>2,498</b>	<b>554</b>	<b>734</b>	<b>499</b>
Opening cash position	1,036	1,390	3,888	4,442	5,176
<b>Closing cash position</b>	<b>1,390</b>	<b>3,888</b>	<b>4,442</b>	<b>5,176</b>	<b>5,676</b>

Source: Company, Emkay Research

**Key Ratios**

<b>Profitability (%)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
EBITDA Margin	14.5	19.4	20.1	18.6	18.9
EBIT Margin	9.3	14.3	14.7	13.2	13.2
Effective Tax Rate	19.4	25.6	25.6	25.6	25.6
Net Margin	3.9	7.4	7.5	6.6	6.8
ROCE	8.2	12.2	11.3	10.7	11.2
ROE	7.2	13.2	11.6	10.5	10.9
RoIC	9.3	15.5	15.1	13.0	12.3

<b>Per Share Data (Rs)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
EPS	33.2	66.7	65.1	65.1	74.4
CEPS	77.2	112.4	111.9	118.3	136.3
BVPS	477.1	534.7	590.8	651.0	718.1
DPS	7.5	7.5	4.0	6.0	7.0

<b>Valuations (x)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
PER	21.7	10.8	11.1	11.1	9.7
P/CEPS	9.3	6.4	6.4	6.1	5.3
P/BV	1.5	1.3	1.2	1.1	1.0
EV / Sales	1.4	1.3	1.3	1.2	1.1
EV / EBITDA	9.3	6.5	6.6	6.6	5.6
Dividend Yield (%)	1.0	1.0	0.6	0.8	1.0

<b>Gearing Ratio (x)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
Net Debt/ Equity	0.9	0.8	0.7	0.7	0.6
Net Debt/EBIDTA	3.5	2.4	2.5	2.6	2.1
Working Cap Cycle (days)	(0.1)	(7.0)	1.0	0.4	3.1

<b>Growth (%)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
Revenue	14.3	5.7	(3.1)	13.4	10.5
EBITDA	17.4	41.7	0.1	5.0	12.4
EBIT	28.1	62.8	(0.7)	1.8	10.8
PAT	42.9	100.8	(2.4)	0.0	14.3

<b>Quarterly (Rs mn)</b>	<b>Q3FY20</b>	<b>Q4FY20</b>	<b>Q1FY21</b>	<b>Q2FY21</b>	<b>Q3FY21</b>
Revenue	17,151	16,900	12,220	16,543	17,766
EBITDA	2,946	3,446	2,331	3,827	3,624
<b>EBITDA Margin (%)</b>	<b>17.2</b>	<b>20.4</b>	<b>19.1</b>	<b>23.1</b>	<b>20.4</b>
PAT	815	1,947	658	1,666	1,505
<b>EPS (Rs)</b>	<b>10.6</b>	<b>25.3</b>	<b>8.5</b>	<b>21.6</b>	<b>19.5</b>

Source: Company, Emkay Research

<b>Shareholding Pattern (%)</b>	<b>Dec-19</b>	<b>Mar-20</b>	<b>Jun-20</b>	<b>Sep-20</b>	<b>Dec-20</b>
Promoters	62.9	62.9	62.9	62.9	62.9
FIs	3.9	4.2	3.6	3.4	3.8
DIs	15.5	15.3	14.6	15.2	13.6
Public and Others	17.8	17.6	18.9	18.6	19.7

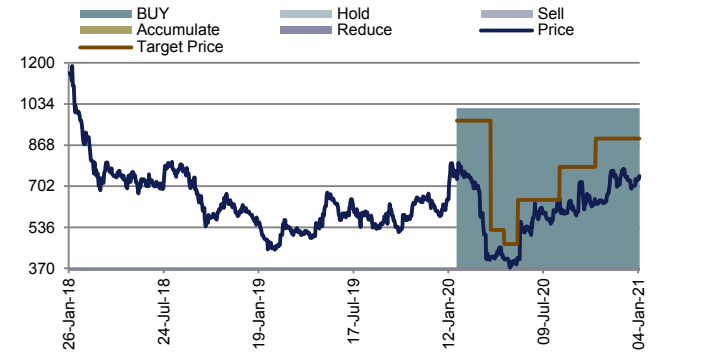
Source: Capitaline

## RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
05-Nov-20	643	895	12m	Buy	Sanjeev Kumar Singh
16-Oct-20	639	895	12m	Buy	Sanjeev Kumar Singh
28-Sep-20	656	779	12m	Buy	Sanjeev Kumar Singh
09-Aug-20	653	779	12m	Buy	Sanjeev Kumar Singh
22-May-20	407	647	12m	Buy	Sanjeev Kumar Singh
18-May-20	387	469	12m	Buy	Sanjeev Kumar Singh
26-Apr-20	412	469	12m	Buy	Sanjeev Kumar Singh
01-Apr-20	418	526	12m	Buy	Sanjeev Kumar Singh
28-Jan-20	731	967	12m	Buy	Sanjeev Kumar Singh

Source: Company, Emkay Research

## RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

## Emkay Alpha Portfolio – Cement & Building Materials



### Analyst: Sanjeev Kumar Singh

#### Contact Details

sanjeev.singh@emkayglobal.com  
+91 22 6612 1255

#### Sector

Cement & Building materials

#### Analyst bio

Sanjeev Kumar Singh holds an MBA and has over 10 years of experience in the Cement sector. His team currently covers 17 stocks in the Cement and Building Materials space.

### EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight (Normalised)
<b>Cement &amp; Building Materials</b>	<b>2.10</b>	<b>2.10</b>	<b>0%</b>	<b>0</b>	<b>100.00</b>
ACC	0.17	0.00	-100%	-17	0.00
Ambuja Cements	0.23	0.25	9%	2	11.91
Grasim Industries	0.50	0.49	0%	0	23.54
Birla Corporation	0.00	0.04	NA	4	1.91
India Cements	0.00	0.00	NA	0	0.00
JK Cement	0.00	0.00	NA	0	0.00
JK Lakshmi Cement	0.00	0.04	NA	4	1.97
Orient Cement	0.00	0.00	NA	0	0.00
Prism Johnson	0.00	0.00	NA	0	0.00
Ramco Cements	0.13	0.14	10%	1	6.58
Shree Cements	0.29	0.28	0%	0	13.57
Star Cement	0.00	0.00	NA	0	0.00
Ultratech Cement	0.79	0.85	8%	6	40.52
Century Plyboards	0.00	0.00	NA	0	0.00
Kajaria Ceramics	0.00	0.00	NA	0	0.00
Somany Ceramics	0.00	0.00	NA	0	0.00
<b>Cash</b>	<b>0.00</b>	<b>0.00</b>	<b>NA</b>	<b>0</b>	<b>0.00</b>

Source: Emkay Research

\* Not under coverage: Equal Weight

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

### Sector portfolio NAV

	Base					Latest
	1-Apr-19	23-Jan-20	23-Jul-20	22-Oct-20	22-Dec-20	21-Jan-21
EAP - Cement & Building Materials	100.0	106.4	90.1	106.1	111.7	121.2
BSE200 Neutral Weighted Portfolio (ETF)	100.0	103.2	87.1	103.9	110.5	119.9

\*Performance measurement base date 1<sup>st</sup> April 2019

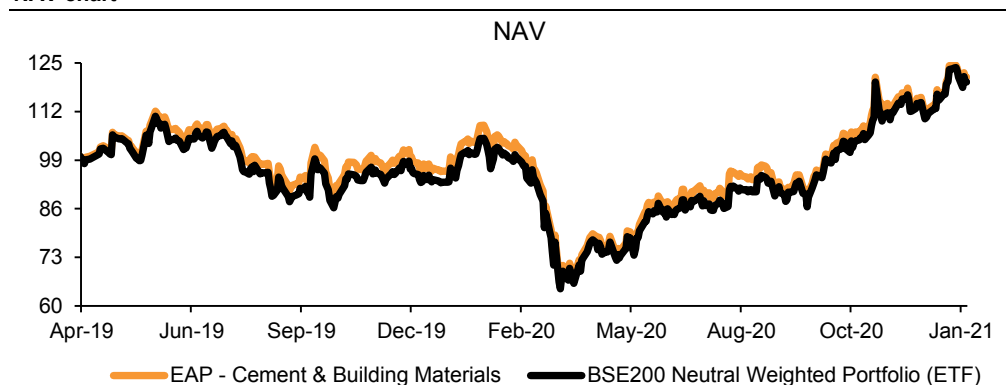
Source: Emkay Research

### Price Performance (%)

	1m	3m	6m	12m
EAP - Cement & Building Materials	8.5%	14.2%	34.5%	13.8%
BSE200 Neutral Weighted Portfolio (ETF)	8.5%	15.4%	37.7%	16.2%

Source: Emkay Research

### NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”



## Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 25 Jan 2021 11:30:28 (SGT)

Dissemination Date: 25 Jan 2021 11:31:28 (SGT)

Sources for all charts and tables are Emkay Research unless otherwise specified.

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CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com