

Orient Refractories

Result Update

13 September 2017

Well lined growth, retain Buy

We maintain Buy on Orient Refractories (ORL), with an unchanged TP of Rs170 as the growth story remains on track with i) steady revenue growth led by improving domestic demand, and ii) strong traction in exports sales with approval of increased transaction limits with parent, RHI. Q1 performance was a mixed bag with revenue growth above expectations but provisioning for steel accounts keeping EBITDA/PAT suppressed. We remain structurally positive on ORL and believe that the tremendous scope for brownfield expansion, as well as low capital and operational costs, MNC parentage and strong return ratios make it a compelling long term bet.

- **Revenue growth remains solid:** Revenue for Q1 stood at Rs1.42bn, up 7.4% YoY, and up 10.8% QoQ. ORL's revenue growth was above our expectations and growth momentum can be attributed to multiple factors such as its increasing market share in the domestic market, steadily increasing sales to RHI Group, recycling of old refractories and traction in exports.
- **EBITDA below expectations led by provisioning for stressed steel accounts:** EBITDA was subdued and below expectations at Rs238mn (Est: Rs257mn), with margins of 16.8% (down 310bps QoQ). Gross margins were flat QoQ at 43% and EBITDA miss was due an increase in other expenses which included provisioning of ~Rs33mn towards receivables from stressed steel accounts (NCLT cases). Adjusted for this exceptional Rs33mn provisioning, EBITDA would have stood at Rs271mn with margins of 19.1%.
- **Outlook – demand improvement from steel mills & traction in exports to drive growth:** Steady revenue growth remains a key positive and we expect it to continue led by higher steel production, expansion of ISO products capacity & increased export sales through RHI group. We expect provisioning charges (against receivables) to increase if more steel accounts (particularly the mid-sized plants where ORL has higher exposure) are referred to NCLT. However, we expect ORL to recover these amounts in normal course of business and hence reverse the provisioning made in due course. Debtor days are expected to come down led by accelerated recovery efforts. We tweak our earnings estimates marginally.
- **Valuation and risk:** We expect EBITDA/PAT CAGR of 14.1%/16.1% for FY17-19E on the back of higher market penetration aided by strong domestic steel production, increased sales in exports markets through RHI network and operating leverage benefits for margins. We maintain our fair value FY19E P/E multiple of 22x for ORL as it boasts of highest return ratios and highest margins in the industry with a strong growth outlook. We believe that ORL deserves premium to Vesuvius Ltd. as it stood out as the best in our [comprehensive study](#) of corporate governance and quality of earnings for refractory producers. Reiterate Buy with a TP of Rs170. Key downside risk is lower production at mini mills and bad debtors.

Y/E Mar-Cons (Rs mn)	Q1FY18	Q1FY17	YoY (%)	Q4FY17	QoQ (%)	Q1FY18E	Var. (%)
Net sales	1,417	1,319	7.4	1,278	10.8	1,350	5.0
Raw materials	807	748	7.8	729	10.7	770	4.8
Employee costs	122	104	16.8	100	21.4	108	12.9
Other expenses*	250	203	23.0	186	34.3	216	15.8
EBITDA	238	263	(9.4)	263	(9.3)	257	(7.1)
EBITDA margin (%)	16.8	19.9		20.6		19.0	
Depreciation	16	15	7.7	15	7.5	17	(3.8)
Other income	25	19	29.5	22	14.4	25	(0.3)
PBT	247	267	(7.5)	269	(8.4)	265	(6.7)
Tax	84	92	(9.4)	92	(9.3)	91	(8.1)
PAT	163	175	(6.6)	177	(7.9)	173	(5.9)

Source: Company, Centrum Research Estimates, including provisioning of Rs33mn

Target Price	Rs170	Key Data	
CMP*	Rs148	Bloomberg Code	ORIENT IN
Upside	14.9%	Curr Shares O/S (mn)	120.1
Previous Target	Rs170	Diluted Shares O/S(mn)	120.1
Previous Rating	Buy	Mkt Cap (Rsbn/USDmn)	17.7/276.3
Price Performance (%)*		52 Wk H / L (Rs)	164/105
	1M 6M 1Yr	5 Year H / L (Rs)	164/22.8
ORIENT IN	10.6 10.0 34.0	Daily Vol. (3M NSE Avg.)	86267.2
NIFTY	3.8 12.8 15.6		

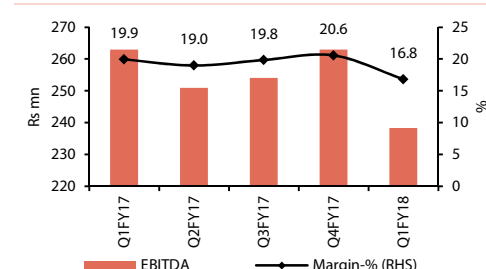
*as on 13 September 2017; Source: Bloomberg, Centrum Research

Shareholding pattern (%)*

	Jun-17	Mar-17	Dec-16	Sep-16
Promoter	69.6	69.6	69.6	69.6
FIs	5.6	5.7	5.1	5.1
Dom. Inst.	5.0	4.9	6.3	6.3
Public & Others	19.8	19.8	18.9	19.0

Source: BSE, *as on 13 September 2017

EBITDA and margin trend



Source: Company, Centrum Research

Earnings Revision

Particulars (Rs mn)	FY18E			FY19E		
	New	Old	Chg (%)	New	Old	Chg (%)
Sales	5,962	6,094	(2.2)	7,000	6,905	1.4
EBITDA	1,130	1,196	(5.6)	1,340	1,351	(0.8)
EBITDA Margin (%)	18.9	19.6		19.1	19.6	
PAT	775	818	(5.3)	925	929	(0.5)

Source: Centrum Research Estimates

Centrum vs. Bloomberg Consensus*

Particulars (Rs mn)	FY18E			FY19E		
	Centrum	BBG	Var (%)	Centrum	BBG	Var (%)
Net Sales	5,962	5,887	1.3	7,000	6,898	1.5
EBITDA	1,130	1,157	(2.3)	1,340	1,365	(1.9)
PAT	775	775	0.1	925	923	0.3

Bloomberg Consensus				Centrum Target Price (Rs)	Variance (%)
BUY	SELL	HOLD	Target Price (Rs)		
6	0	1	188	170	(9.7)

*as on 13 September 2017; Source: Bloomberg, Centrum Research Estimates

Abhisar Jain, CFA, abhisar.jain@centrum.co.in, 91 22 4215 9928

Y/E Mar(Rs mn)	Rev	YoY (%)	EBITDA	EBITDA (%)	PAT	YoY (%)	EPS (Rs)	RoE (%)	RoCE (%)	P/E (x)	EV/EBITDA (x)
FY15	4,514	11.9	805	17.8	528	0.0	4.4	34.4	30.7	20.1	13.0
FY16	4,589	1.7	852	18.6	558	5.6	4.6	29.8	27.5	17.9	10.9
FY17P	5,194	13.2	1,030	19.8	686	22.9	5.7	28.7	24.7	17.9	10.8
FY18E	5,962	14.8	1,130	18.9	775	12.9	6.4	26.0	23.1	22.9	14.3
FY19E	7,000	17.4	1,340	19.1	925	19.4	7.7	26.2	23.1	19.2	11.8

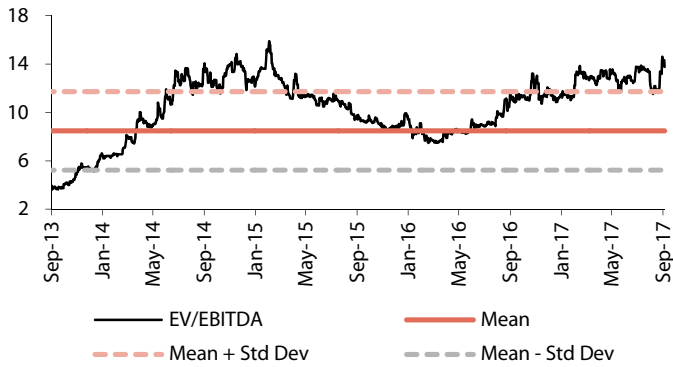
Source: Company, Centrum Research Estimates; All ratios based on average mcap for year

Exhibit 1: Sensitivity Analysis (FY18E)

1% change	% Chg in EBITDA	% Chg in PAT
Realizations	1.2	1.1
Volumes	1.1	1.1

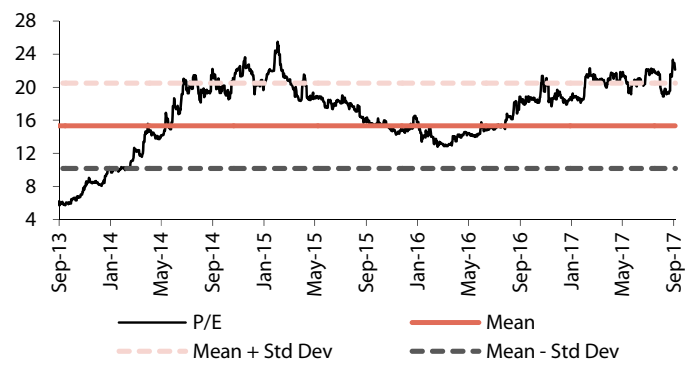
Source: Company, Centrum Research Estimates

Exhibit 2: 1 year forward EV/EBITDA chart



Source: Bloomberg, Company, Centrum Research Estimates

Exhibit 3: 1 year forward P/E chart



Source: Bloomberg, Company, Centrum Research Estimates

Exhibit 4: Valuation – Peer comparison

Company	Mkt. Cap (US\$ mn)	CAGR CY16-CY18E (%)			EBITDA Margin (%)			P/E (x)			EV/EBITDA (x)			RoE (%)			Div Yield (%)		
		Rev.	EBITDA	PAT	CY16	CY17E	CY18E	CY16	CY17E	CY18E	CY16	CY17E	CY18E	CY16	CY17E	CY18E	CY16	CY17E	CY18E
Orient Refractories*#	276	16.1	14.1	16.1	19.8	18.9	19.1	17.9	22.9	19.2	10.8	14.3	11.8	28.7	26.0	26.2	2.5	1.3	1.6
IFGL Refractories#	161	9.1	13.4	18.0	12.4	12.9	13.4	11.5	22.5	17.3	5.5	9.6	7.8	8.3	6.7	8.3	1.4	0.9	1.2
Vesuvius India	440	16.0	13.9	15.9	19.0	18.6	18.4	23.4	26.7	22.6	12.9	15.8	12.5	16.8	17.2	17.5	0.8	0.7	0.8
Global Peers																			
RHI AG	1,522	2.6	8.2	17.6	11.4	12.0	12.7	11.4	14.6	12.5	6.3	7.5	7.4	14.3	15.8	16.7	3.6	2.5	2.6
Vesuvius PLC	2,069	8.4	17.2	20.8	11.8	13.0	13.8	14.3	15.8	13.7	8.3	9.0	8.7	8.4	9.1	9.9	4.3	3.1	3.2
Cie de St-Gobain	32,524	4.1	8.6	17.6	10.2	10.6	11.1	16.8	16.3	14.1	6.9	7.5	7.3	6.8	8.3	9.3	3.1	2.7	2.9

Source: Bloomberg consensus estimates, * Centrum Research Estimates, #CY16=FY17 for Orient, IFGL; All ratios based on average mcap for year

Exhibit 5: Quarterly Financials

Y/E Mar (Rs mn)	Q2FY16	Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17	Q1FY18
Net sales	1,103	1,145	1,228	1,319	1,313	1,281	1,278	1,417
Other Operating Income	6	6	0	0	9	0	0	0
Total Income	1,109	1,151	1,228	1,319	1,322	1,281	1,278	1,417
Accretion to Stocks in trade & work in progress	(10)	(2)	42	(15)	(40)	(71)	(7)	13
Cost of Raw Materials consumed	446	461	452	513	535	490	501	537
Purchase of traded goods	172	162	200	250	231	285	235	256
Staff Cost	98	103	90	104	107	117	100	122
Other Operational expenses	211	201	189	203	239	206	186	250
Operating Profit (Core EBITDA)	191	225	254	263	251	254	263	238
Depreciation	15	16	15	15	16	17	15	16
EBIT	176	210	239	248	235	237	248	222
Interest	0	0	0	0	0	0	0	0
Other Revenue/Income	15	12	14	19	22	20	22	25
Exceptional items	0	0	0	0	0	0	0	0
Profit Before Tax	191	222	253	267	257	256	269	247
Tax	65	72	90	92	89	89	92	84
Profit After Tax	126	149	163	175	168	167	177	163
Growth (YoY %)								
Revenue	(6.0)	(2.0)	13.8	20.3	19.0	11.9	4.1	7.4
EBITDA	(2.7)	11.0	27.2	52.1	31.4	12.7	3.4	-9.4
PAT	(9.0)	13.3	26.5	45.9	33.2	12.0	8.5	-6.6
Margin (%)								
EBITDA	17.2	19.6	20.7	19.9	19.0	19.8	20.6	16.8
EBIT	15.9	18.2	19.5	18.8	17.8	18.5	19.4	15.7
PAT	11.4	13.0	13.3	13.2	12.7	13.0	13.8	11.5

Source: Company, Centrum Research

Financials

Exhibit 6: Income Statement

Y/E Mar(Rs mn)	FY15	FY16	FY17	FY18E	FY19E
Revenues	4,514	4,589	5,194	5,962	7,000
Materials cost	2,503	2,539	2,906	3,390	3,973
% of revenues	55.4	55.3	56.0	56.9	56.8
Employee cost	383	394	430	489	567
% of revenues	8.5	8.6	8.3	8.2	8.1
Others	823	804	828	954	1,120
% of revenues	18.2	17.5	15.9	16.0	16.0
EBITDA	805	852	1,030	1,130	1,340
EBITDA margin (%)	17.8	18.6	19.8	18.9	19.1
Depreciation & Amortisation	55	59	64	68	75
EBIT	750	793	966	1,062	1,265
Interest expenses	0	0	-	-	-
PBT from operations	750	793	966	1,062	1,265
Other income	46	54	83	112	137
PBT	796	847	1,049	1,174	1,401
Taxes	268	288	363	399	476
Effective tax rate (%)	33.6	34.1	34.6	34.0	34.0
Adj. PAT	528	558	686	775	925

Source: Company data, Centrum Research Estimates

Exhibit 7: Key Ratios

Y/E Mar	FY15	FY16	FY17	FY18E	FY19E
Growth Ratio (%)					
Revenue	11.9	1.7	13.2	14.8	17.4
EBITDA	1.7	5.8	20.9	9.7	18.6
Adjusted PAT	0.0	5.6	22.9	12.9	19.4
Margin Ratios (%)					
EBITDA	17.8	18.6	19.8	18.9	19.1
PBT from operations	16.6	17.3	18.6	17.8	18.1
Adjusted PAT	11.7	12.2	13.2	13.0	13.2
Return Ratios (%)					
ROE	34.4	29.8	28.7	26.0	26.2
ROCE	30.7	27.5	24.7	23.1	23.1
ROIC	33.7	41.0	39.0	43.0	44.6
Turnover Ratios (days)					
Gross block turnover ratio (x)	7.8	6.8	6.8	7.0	7.4
Debtors	91	94	80	80	80
Inventory	58	51	57	55	55
Creditors	42	57	55	50	50
Cash conversion cycle	107	88	83	85	85
Solvency Ratio (x)					
Net debt-equity	(0.1)	(0.4)	(0.4)	(0.5)	(0.5)
Debt-equity	0.0	-	-	-	-
Interest coverage ratio	0.0	0.0	-	-	-
Gross debt/EBITDA	0.1	-	-	-	-
Current Ratio	2.6	2.7	3.8	3.4	3.5
Per share Ratios (Rs)					
Adjusted EPS	4.4	4.6	5.7	6.4	7.7
BVPS	14.1	17.0	22.7	26.9	31.9
CEPS	4.9	5.1	6.2	7.0	8.3
DPS	1.4	1.5	2.5	1.9	2.3
Dividend payout %	31.8	31.2	43.8	30.0	30.0
Valuation (x)*					
P/E (adjusted)	20.1	17.9	17.9	22.9	19.2
P/BV	6.3	4.9	4.5	5.5	4.6
EV/EBITDA	13.0	10.9	10.8	14.3	11.8
Dividend yield %	2.0	1.7	2.5	1.3	1.6
5 Yr Avg AOCF/EV yield %	3.0	4.5	4.3	3.5	4.0

Source: Company data, Centrum Research Estimates; *All ratios based on average mcap for year

Exhibit 8: Balance Sheet

Y/E Mar(Rs mn)	FY15	FY16	FY17	FY18E	FY19E
Equity Share Capital	120	120	120	120	120
Reserves & surplus	1,578	1,926	2,613	3,115	3,716
Shareholders' fund	1,698	2,047	2,733	3,236	3,836
Total Debt	52	-	-	-	-
Def tax liab. (net)	(8)	(7)	(4)	(4)	(4)
Total Liabilities	1,742	2,040	2,729	3,232	3,832
Gross Block	623	725	807	903	999
Less: Acc. Depreciation	291	342	399	467	542
Net Block	332	383	408	437	458
Capital WIP	40	16	47	71	95
Net Fixed Assets	372	399	455	507	552
Investments	0	0	0	0	0
Inventories	716	642	814	898	1,055
Sundry debtors	1,127	1,185	1,140	1,307	1,534
Cash	261	765	1,108	1,601	1,960
Loans & Advances	38	31	41	42	50
Other assets	15	31	40	41	48
Total Current Asset	2,157	2,655	3,143	3,889	4,647
Trade payables	515	719	776	817	959
Other current Liab.	41	53	57	62	73
Provisions	230	241	37	286	336
Net Current Assets	1,371	1,641	2,274	2,724	3,280
Total Assets	1,742	2,040	2,729	3,232	3,832

Source: Company data, Centrum Research Estimates

Exhibit 9: Cash Flow

Y/E Mar(Rs mn)	FY15	FY16	FY17	FY18E	FY19E
Operating profit bef working capital changes	829	886	1,054	1,130	1,340
Changes in working capital	(210)	192	(78)	42	(196)
Cash flow from operations	338	802	604	772	668
Adj. OCF (OCF - Interest)	338	802	604	772	668
Net Capex	107	88	(115)	120	120
Adj. FCF	230	714	719	652	548
Cash flow from investments	(96)	(42)	(62)	(8)	17
Cash flow from financing	(176)	(250)	(205)	(272)	(325)
Net change in cash	65	511	337	492	360

Source: Company data, Centrum Research Estimates

Appendix A

Disclaimer

Centrum Broking Limited ("Centrum") is a full-service, Stock Broking Company and a member of The Stock Exchange, Mumbai (BSE) and National Stock Exchange of India Ltd. (NSE). Our holding company, Centrum Capital Ltd, is an investment banker and an underwriter of securities. As a group Centrum has Investment Banking, Advisory and other business relationships with a significant percentage of the companies covered by our Research Group. Our research professionals provide important inputs into the Group's Investment Banking and other business selection processes.

Recipients of this report should assume that our Group is seeking or may seek or will seek Investment Banking, advisory, project finance or other businesses and may receive commission, brokerage, fees or other compensation from the company or companies that are the subject of this material/report. Our Company and Group companies and their officers, directors and employees, including the analysts and others involved in the preparation or issuance of this material and their dependants, may on the date of this report or from, time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. Centrum or its affiliates do not own 1% or more in the equity of this company. Our sales people, dealers, traders and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. We may have earlier issued or may issue in future reports on the companies covered herein with recommendations/ information inconsistent or different those made in this report. In reviewing this document, you should be aware that any or all of the foregoing, among other things, may give rise to or potential conflicts of interest. We and our Group may rely on information barriers, such as "Chinese Walls" to control the flow of information contained in one or more areas within us, or other areas, units, groups or affiliates of Centrum. Centrum or its affiliates do not make a market in the security of the company for which this report or any report was written. Further, Centrum or its affiliates did not make a market in the subject company's securities at the time that the research report was published.

This report is for information purposes only and this document/material should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities, and neither this document nor anything contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This document does not solicit any action based on the material contained herein. It is for the general information of the clients of Centrum. Though disseminated to clients simultaneously, not all clients may receive this report at the same time. Centrum will not treat recipients as clients by virtue of their receiving this report. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Similarly, this document does not have regard to the specific investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive this document. The securities discussed in this report may not be suitable for all investors. The securities described herein may not be eligible for sale in all jurisdictions or to all categories of investors. The countries in which the companies mentioned in this report are organized may have restrictions on investments, voting rights or dealings in securities by nationals of other countries. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Persons who may receive this document should consider and independently evaluate whether it is suitable for his/ her/their particular circumstances and, if necessary, seek professional/financial advice. Any such person shall be responsible for conducting his/her/their own investigation and analysis of the information contained or referred to in this document and of evaluating the merits and risks involved in the securities forming the subject matter of this document.

The projections and forecasts described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. Projections and forecasts are necessarily speculative in nature, and it can be expected that one or more of the estimates on which the projections and forecasts were based will not materialize or will vary significantly from actual results, and such variances will likely increase over time. All projections and forecasts described in this report have been prepared solely by the authors of this report independently of the Company. These projections and forecasts were not prepared with a view toward compliance with published guidelines or generally accented accounting principles. No independent accountants have expressed an opinion or any other form of assurance on these projections or forecasts. You should not regard the inclusion of the projections and forecasts described herein as a representation or warranty by or on behalf of the Company, Centrum, the authors of this report or any other person that these projections or forecasts or their underlying assumptions will be achieved. For these reasons, you should only consider the projections and forecasts described in this report after carefully evaluating all of the information in this report, including the assumptions underlying such projections and forecasts.

The price and value of the investments referred to in this document/material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. Future returns are not guaranteed and a loss of original capital may occur. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Centrum does not provide tax advice to its clients, and all investors are strongly advised to consult regarding any potential investment. Centrum and its affiliates accept no liabilities for any loss or damage of any kind arising out of the use of this report. Foreign currencies denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies effectively assume currency risk. Certain transactions including those involving futures, options, and other derivatives as well as non-investment-grade securities give rise to substantial risk and are not suitable for all investors. Please ensure that you have read and understood the current risk disclosure documents before entering into any derivative transactions.

This report/document has been prepared by Centrum, based upon information available to the public and sources, believed to be reliable. No representation or warranty, express or implied is made that it is accurate or complete. Centrum has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed. The opinions expressed in this document/material are subject to change without notice and have no obligation to tell you when opinions or information in this report change.

This report or recommendations or information contained herein do/does not constitute or purport to constitute investment advice in publicly accessible media and should not be reproduced, transmitted or published by the recipient. The report is for the use and consumption of the recipient only. This publication may not be distributed to the public used by the public media without the express written consent of Centrum. This report or any portion hereof may not be printed, sold or distributed without the written consent of Centrum.

The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Neither Centrum nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information.

This document does not constitute an offer or invitation to subscribe for or purchase or deal in any securities and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. This document is strictly confidential and is being furnished to you solely for your information, may not be distributed to the press or other media and may not be reproduced or redistributed to any other person. The distribution of this report in other jurisdictions may be restricted by law and persons into whose possession this report comes should inform themselves about, and observe any such restrictions. By accepting this report, you agree to be bound by the foregoing limitations. No representation is made that this report is accurate or complete.

The opinions and projections expressed herein are entirely those of the author and are given as part of the normal research activity of Centrum Broking and are given as of this date and are subject to change without notice. Any opinion estimate or projection herein constitutes a view as of the date of this report and there can be no assurance that future results or events will be consistent with any such opinions, estimate or projection.

This document has not been prepared by or in conjunction with or on behalf of or at the instigation of, or by arrangement with the company or any of its directors or any other person. Information in this document must not be relied upon as having been authorized or approved by the company or its directors or any other person. Any opinions and projections contained herein are entirely those of the authors. None of the company or its directors or any other person accepts any liability whatsoever for any loss arising from any use of this document or its contents or otherwise arising in connection therewith.

Centrum and its affiliates have not managed or co-managed a public offering for the subject company in the preceding twelve months. Centrum and affiliates have not received compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for service in respect of public offerings, corporate finance, debt restructuring, investment banking or other advisory services in a merger/acquisition or some other sort of specific transaction.

As per the declarations given by them, Mr. Abhisar Jain research, analyst and and/or any of his family members do not serve as an officer, director or any way connected to the company/companies mentioned in this report. Further, as declared by him, he has not received any compensation from the above companies in the preceding twelve months. He does not hold any shares by him or through his relatives or in case if holds the shares then will not to do any transactions in the said scrip for 30 days from the date of release such report. Our entire research professionals are our employees and are paid a salary. They do not have any other material conflict of interest of the research analyst or member of which the research analyst knows of has reason to know at the time of publication of the research report or at the time of the public appearance.

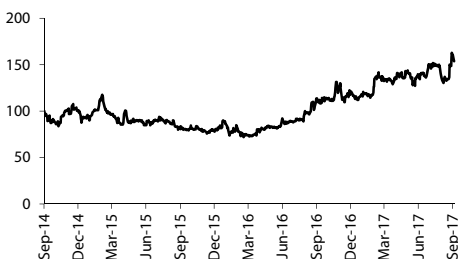
While we would endeavour to update the information herein on a reasonable basis, Centrum, its associated companies, their directors and employees are under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Centrum from doing so.

Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or Centrum policies, in circumstances where Centrum is acting in an advisory capacity to this company, or any certain other circumstances.

This report is not directed to, 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 or regulation or which would subject Centrum Broking Limited or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market.

Orient Refractories price chart



Source: Bloomberg, Centrum Research

Disclosure of Interest Statement

1	Business activities of Centrum Broking Limited (CBL)	Centrum Broking Limited (hereinafter referred to as "CBL") is a registered member of NSE (Cash, F&O and Currency Derivatives Segments), MCX-SX (Currency Derivatives Segment) and BSE (Cash segment), Depository Participant of CDSL and a SEBI registered Portfolio Manager.
2	Details of Disciplinary History of CBL	CBL has not been debarred/ suspended by SEBI or any other regulatory authority from accessing /dealing in securities market.
3	Registration status of CBL:	CBL is registered with SEBI as a Research Analyst (SEBI Registration No. INH000001469)

		Orient Refractories	Vesuvius India	IFGL Refractories
4	Whether Research analyst's or relatives' have any financial interest in the subject company and nature of such financial interest	No	No	No
5	Whether Research analyst or relatives have actual / beneficial ownership of 1% or more in securities of the subject company at the end of the month immediately preceding the date of publication of the document.	No	No	No
6	Whether the research analyst or his relatives has any other material conflict of interest	No	No	No
7	Whether research analyst has received any compensation from the subject company in the past 12 months and nature of products / services for which such compensation is received	No	No	No
8	Whether the Research Analyst has received any compensation or any other benefits from the subject company or third party in connection with the research report	No	No	No
9	Whether Research Analysts has served as an officer, director or employee of the subject company	No	No	No
10	Whether the Research Analyst has been engaged in market making activity of the subject company.	No	No	No

Rating Criteria

Rating	Market cap < Rs20bn	Market cap > Rs20bn but < 100bn	Market cap > Rs100bn
Buy	Upside > 20%	Upside > 15%	Upside > 10%
Hold	Upside between -20% to +20%	Upside between -15% to +15%	Upside between -10% to +10%
Sell	Downside > 20%	Downside > 15%	Downside > 10%

Member (NSE and BSE)**Regn No.:**

CAPITAL MARKET SEBI REGN. NO.: BSE: INB011454239
CAPITAL MARKET SEBI REGN. NO.: NSE: INB231454233
DERIVATIVES SEBI REGN. NO.: NSE: INF231454233
(TRADING & CLEARING MEMBER)
CURRENCY DERIVATIVES: MCX-SX INE261454230
CURRENCY DERIVATIVES:NSE (TM & SCM) – NSE 231454233

Depository Participant (DP)

CDSL DP ID: 120 – 12200
SEBI REGD NO.: CDSL : IN-DP-CDSL-661-2012

PORTFOLIO MANAGER

SEBI REGN NO.: INP000004383

Website: www.centrum.co.in

Investor Grievance Email ID: investor.grievances@centrum.co.in

Compliance Officer Details:

Kavita Ravichandran

(022) 4215 9842; Email ID: Compliance@centrum.co.in

Centrum Broking Ltd. (CIN :U67120MH1994PLC078125)

Registered Office Address	Corporate Office & Correspondence Address
Bombay Mutual Building , 2nd Floor, Dr. D. N. Road, Fort, Mumbai - 400 001	Centrum House 6th Floor, CST Road, Near Vidya Nagari Marg, Kalina, Santacruz (E), Mumbai 400 098. Tel: (022) 4215 9000