

Birla Corporation

Refer to important disclosures at the end of this report

Lower opex helps in Q2; attractive valuations

CMP: Rs 644
as of (November 5, 2020)

TP: Rs 895 (■)
12 months

Rating: BUY (■)

Upside: 38.9 %

- Results were above estimates, driven by lower opex (variable cost down 8.5% yoy/10.2% qoq) and higher realization (down 1.5% qoq vs. estimate of 4% decline). EBITDA stood at Rs3.8bn vs. estimate of Rs3bn and EBITDA/ton was Rs1,160 vs. estimate of Rs903.
- Key positives: 1) realization decline at mere 1.5% qoq; 2) higher share of premium products - up 3.7pp yoy on total volumes; 3) 8.5% yoy decline in variable cost/ton; and 4) 26.2% yoy/5% qoq decline in interest expenses. Volume growth was muted at 1.9% yoy.
- BCORP aims to achieve 25mt capacity by CY25. The 3.9mt Greenfield plant at Mukutban, Maharashtra, is likely to be commissioned by Sep'21. Brownfield expansion of clinker capacity (0.4mt) at Chanderia, Rajasthan, will be completed in FY21.
- We keep FY22/23E EBITDA intact but raise FY21E EBITDA by 3.4% on better Q2 print. We like BCORP due to: 1) capacity addition plan and 2) cost-saving initiatives - solar power plants and coal mining through acquired blocks. Maintain Buy/OW in sector EAP.

Lower opex and higher realization boost profits: BCORP benefited from lower opex (lower variable costs led by a decline in energy costs, lower employee and other expenses) and higher realization in Q2. Sales volume grew 1.9% yoy. Capacity utilization stood at 84% vs. 83% in Q2FY20. The share of premium products through the trade channel (80.5% vs. 83.1% in Q2FY20) was at 48% (46% in H1) vs. 41% in Q2FY20 (38% in H1FY20). Management believes that demand has started to improve in Tier-1/2 cities. Cement realization was up 1.6% yoy. Revenue from the Jute business was down 27.5% yoy. Opex/ton was down 3.3% yoy, driven by an 8.5% yoy decline in variable cost/ton, led by lower energy costs. Employee expense was down 5.6% yoy. Freight cost was down 2.3% yoy (up 6.6% qoq on higher diesel prices). Lower opex led to 22.6% yoy growth in EBITDA with 4pp improvement in OPM. EBITDA/ton stood at Rs1,160 vs. Rs959/Rs989 in Q2FY20/Q1FY21. The Jute business reported EBIT of Rs46.7mn vs. Rs33.7mn in Q2FY20. Lower interest rates (down 1.7pp yoy) and debt reduction (Rs40.6bn vs. Rs42.3bn at Mar-20) led to a 26.2% yoy decline in interest expense. Profit was up 88.6% yoy.

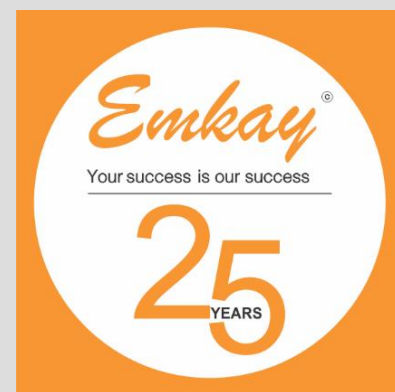
Maintain Buy on capex plans and cost-saving initiatives: We keep FY22/23E EBITDA intact, but raise FY21E EBITDA by 3.4% on better-than-expected Q2 performance. BCORP operated its plants at a much higher capacity utilization of 87% in FY20 despite volume loss in Mar-20. The company has plans to increase capacities by 5.1mt through: 1) Greenfield unit of 3.9mt at Mukutban, Maharashtra by Sep-21; and 2) grinding capacity expansion of 1.2mt at its Kundanganj, Uttar Pradesh 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 in cost reduction of Rs10/ton; 2) coal mining from acquired mines will help in cost reduction of 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 FY22E EV/EBITDA and EV/ton of US\$60, which appears attractive relative to its peers. We maintain Buy rating, with a TP of Rs895 (7.5x Dec-22E 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	65,584	74,384	82,227
EBITDA	9,486	13,443	12,396	13,396	15,194
EBITDA Margin (%)	14.5	19.4	18.9	18.0	18.5
APAT	2,557	5,135	4,223	4,467	5,217
EPS (Rs)	33.2	66.7	54.8	58.0	67.7
EPS (% chg)	53.6	100.8	(17.8)	5.8	16.8
ROE (%)	7.2	13.2	9.8	9.6	10.2
P/E (x)	19.4	9.7	11.8	11.1	9.5
EV/EBITDA (x)	8.7	6.0	6.7	6.6	5.6
P/BV (x)	1.4	1.2	1.1	1.0	0.9

Source: Company, Emkay Research



Change in Estimates

EPS Chg FY21E/FY22E (%)	-/-
Target Price change (%)	NA
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

	EPS Estimates	
	FY21E	FY22E
Emkay	54.8	58.0
Consensus	46.9	59.7
Mean Consensus TP (12M)	Rs 887	

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)	50 / 0.67
Daily Avg Volume (nos.)	2,71,297
Daily Avg Turnover (US\$ mn)	2.3

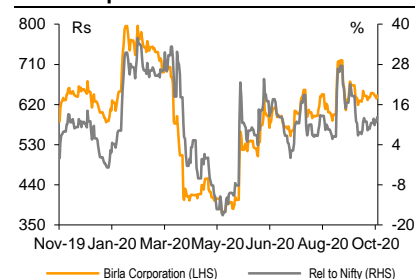
Shareholding Pattern Sep '20

Promoters	62.9%
FIIIs	3.4%
DIIIs	15.2%
Public and Others	18.6%

Price Performance

(%)	1M	3M	6M	12M
Absolute	1	1	65	3
Rel. to Nifty	(4)	(7)	25	2

Relative price chart



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

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 1.9% yoy

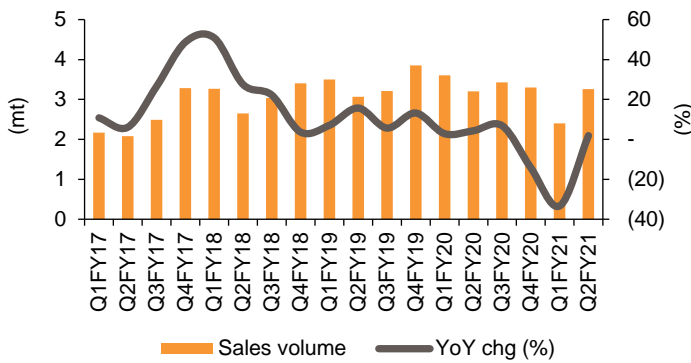
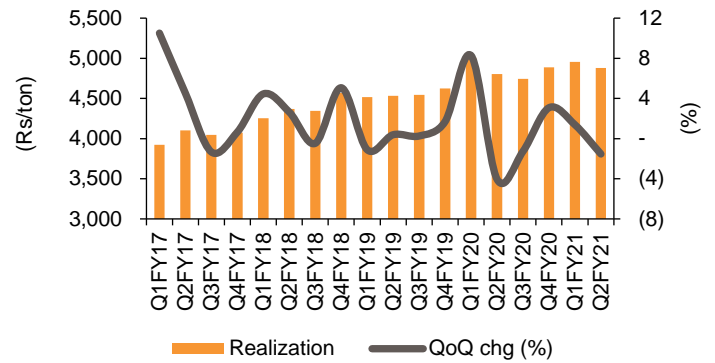


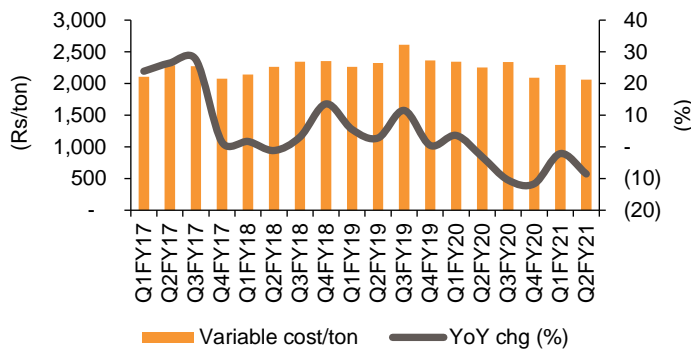
Exhibit 2: Realization up 1.6% yoy but down 1.5% qoq



Source: Emkay Research, Company

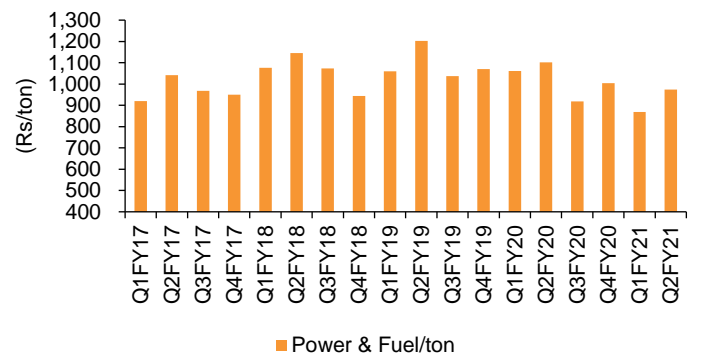
Source: Emkay Research, Company

Exhibit 3: Variable cost/ton down 8.5% yoy ...



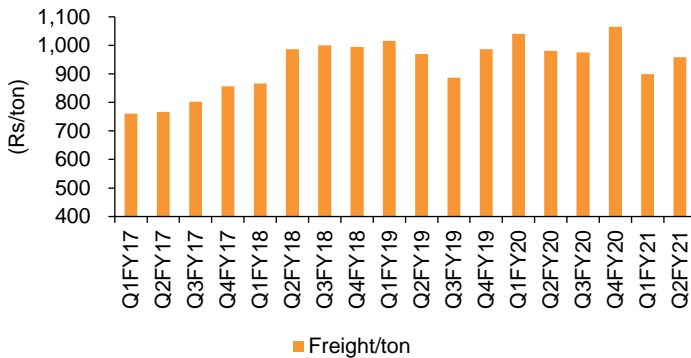
Source: Emkay Research, Company

Exhibit 4: ...as Energy cost/ton declined 11.7% yoy



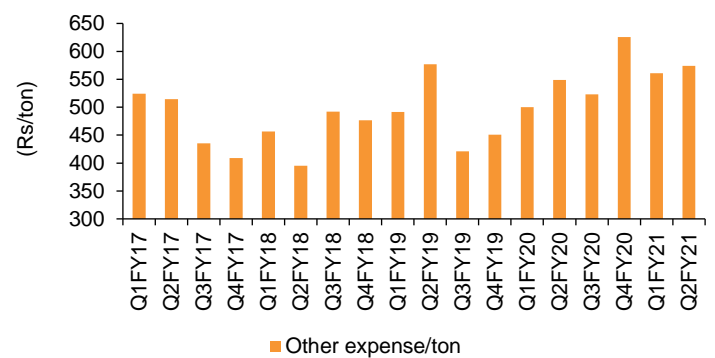
Source: Emkay Research, Company

Exhibit 5: Freight cost/ton down 2.3% yoy but up 6.6% qoq



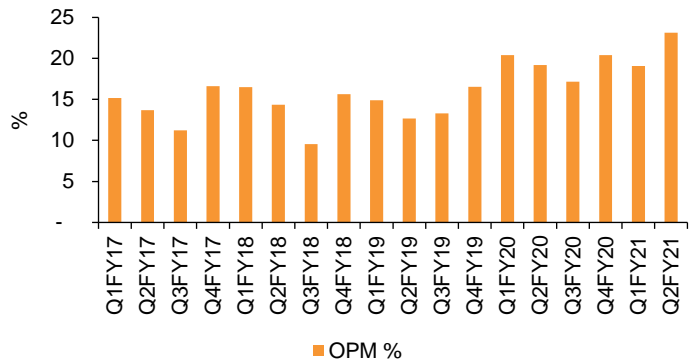
Source: Emkay Research, Company

Exhibit 6: Other expenses/ton up 38% yoy but down 3.4% qoq



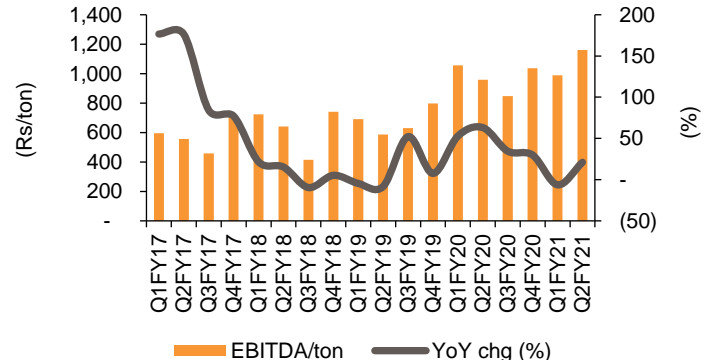
Source: Emkay Research, Company

Exhibit 7: OPM at 23.1%, up 4pp yoy/4.1pp qoq



Source: Company, Emkay Research

Exhibit 8: EBITDA/ton at Rs1,160, up 21% yoy/17.3% qoq



Source: Company, Emkay Research

Exhibit 9: Actual vs. Estimates (Q2FY21)

(Rs mn)	Actual	Estimates		% variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Sales	16,543	16,626	15,445	(0.5)	7.1	In line with estimates
EBITDA	3,827	3,019	2,790	26.8	37.2	Led by lower variable and employee costs
EBITDA margin (%)	23.1	18.2	18.1	498bps	507bps	
Adj. PAT	1,666	1,004	956	66.0	74.3	Led by higher operating profit and lower interest expense

Source: Company, Emkay Research

Exhibit 10: Quarterly result summary

Rs mn	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	YoY (%)	QoQ (%)	H1FY20	H1FY21	YoY %
Revenue	16,269	17,151	16,900	12,220	16,543	1.7	35.4	35,107	28,762	(18.1)
Expenditure	13,148	14,205	13,453	9,889	12,716	(3.3)	28.6	28,139	22,604	(19.7)
as % of sales	80.8	82.8	79.6	80.9	76.9			80.2	78.6	
Consumption of RM	3,678	4,866	3,590	3,419	3,539	(3.8)	3.5	8,295	6,958	(16.1)
as % of sales	22.6	28.4	21.2	28.0	21.4			23.6	24.2	
Employee Expenses	1,048	1,047	976	880	1,008	(3.8)	14.5	2,056	1,888	(8.2)
as % of sales	6.4	6.1	5.8	7.2	6.1			5.9	6.6	
Power, Oil & Fuel	3,527	3,152	3,311	2,086	3,173	(10.0)	52.1	7,347	5,259	(28.4)
as % of sales	21.7	18.4	19.6	17.1	19.2			20.9	18.3	
Freight & Handling	3,139	3,346	3,513	2,157	3,123	(0.5)	44.8	6,886	5,280	(23.3)
as % of sales	19.3	19.5	20.8	17.7	18.9			19.6	18.4	
Other Expenses	1,756	1,794	2,064	1,347	1,872	6.6	39.0	3,557	3,219	(9.5)
as % of sales	10.8	10.5	12.2	11.0	11.3			10.1	11.2	
EBITDA	3,121	2,946	3,446	2,331	3,827	22.6	64.2	6,967	6,158	(11.6)
Depreciation	879	884	894	877	918	4.4	4.7	1,742	1,795	3.0
EBIT	2,242	2,063	2,553	1,455	2,909	29.8	100.0	5,226	4,363	(16.5)
Other Income	199	203	281	190	212	6.5	11.1	367	402	9.4
Interest	1,030	977	909	800	760	(26.2)	(5.0)	1,990	1,560	(21.6)
PBT	1,411	1,289	1,924	845	2,361	67.4	179.3	3,603	3,206	(11.0)
Total Tax	527	474	99	188	694	31.7	270.3	1,313	882	(32.8)
Adjusted PAT	883	815	1,825	658	1,666	88.6	153.3	2,290	2,324	1.5
Extra ordinary items	-	-	122	-	-	n/m	n/m	-	-	n/m
Reported PAT	883	815	1,947	658	1,666	88.6	153.3	2,290	2,324	1.5
Adjusted EPS (Rs)	11.5	10.6	23.7	8.5	21.6	88.6	153.3	29.7	30.2	1.5

Margins (%)						bps	bps				bps
EBIDTA	19.2	17.2	20.4	19.1	23.1	395	406	19.8	21.4	156	
EBIT	13.8	12.0	15.1	11.9	17.6	381	568	14.9	15.2	29	
EBT	8.7	7.5	11.4	6.9	14.3	560	735	10.3	11.1	88	
PAT	5.4	4.8	10.8	5.4	10.1	464	469	6.5	8.1	156	
Effective Tax rate	37.4	36.8	5.1	22.2	29.4	(795)	723	36.5	27.5	(894)	

Source: Company, Emkay Research

Exhibit 11: Operating cost analysis on a per-ton basis

Particulars (Rs/ton)	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	YoY (%)	QoQ (%)	H1FY20	H1FY21	YoY %
Cement Volumes (mt)	3.20	3.43	3.30	2.40	3.26	1.9	35.8	6.8	5.7	(16.8)
Raw Material	1,149	1,419	1,088	1,425	1,086	(5.5)	(23.8)	1,220	1,229	0.8
Employee Expenses	328	305	296	367	309	(5.6)	(15.7)	302	334	10.3
Power, Oil & Fuel	1,102	919	1,003	869	973	(11.7)	12.0	1,080	929	(14.0)
Freight	981	975	1,065	899	958	(2.3)	6.6	1,013	933	(7.9)
Other Expenses	285	277	401	408	394	38.0	(3.4)	53	2	(95.8)
Total Cost	3,845	3,895	3,853	3,967	3,720	(3.3)	(6.2)	3,668	3,427	(6.6)
Realization	4,804	4,743	4,889	4,956	4,880	1.6	(1.5)	4,911	4,912	0.0
EBIDTA	959	847	1,036	989	1,160	21.0	17.3	1,243	1,485	19.5

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	12.8	12.8	-	14.6	14.6	-	15.9	15.9	-
Realization (Rs/ton)	4,736	4,704	0.7	4,746	4,746	0.0	4,825	4,825	0.0
Sales	65,584	65,175	0.6	74,384	74,379	0.0	82,227	82,222	0.0
EBITDA	12,396	11,987	3.4	13,396	13,391	0.0	15,194	15,189	0.0
OPM (%)	18.9	18.4	50.9	18.0	18.0	0.5	18.5	18.5	0.5
Profit	4,223	3,919	7.8	4,467	4,464	0.1	5,217	5,214	0.1
EPS (Rs)	54.8	50.9	7.8	58.0	58.0	0.1	67.7	67.7	0.1

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	12.8	14.6	15.9
Realization (Rs/ton)	4,061	4,359	4,682	4,736	4,746	4,825
Per ton costs (Rs)						
Raw material	926	943	845	1,009	1,011	1,000
Employee cost	289	268	299	300	286	282
Power & Fuel	1,055	1,073	1,012	1,031	1,064	1,082
Freight	960	980	1,007	1,009	1,011	1,000
Total Cost	3,986	4,047	4,088	4,145	4,183	4,208
EBITDA	654	686	988	966	919	954

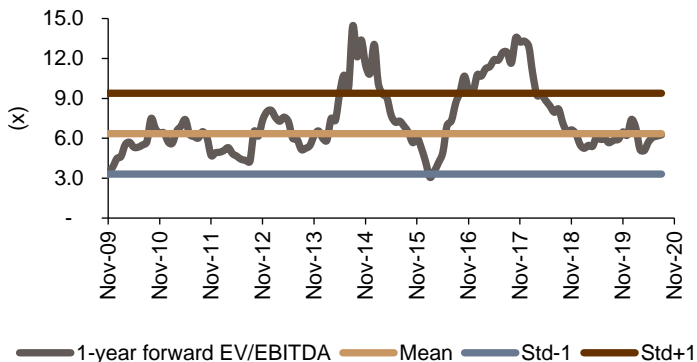
Source: Company, Emkay Research

Exhibit 14: Peer valuation

Company	Rs bn Mcap	EV/EBITDA (x)			EV/Ton (USD)			EPS (Rs)			P/E (x)		
		FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Birla Corp	50	6.7	6.6	5.6	71	60	55	54.8	58.0	67.7	11.8	11.1	9.5
UltraTech Cement	1,335	15.0	13.2	11.3	168	161	153	156.8	186.4	220.8	29.5	24.8	21.0
Shree Cements	804	22.1	18.9	16.4	239	223	217	450.4	530.3	604.3	49.5	42.0	36.9
Ambuja Cements*	509	16.0	14.6	12.2	182	168	160	8.6	8.9	10.4	30.0	28.7	24.8
ACC*	320	11.2	9.8	9.0	107	105	105	69.4	79.6	87.3	24.5	21.4	19.5
Ramco Cements	198	15.8	15.2	12.9	153	143	138	31.2	31.1	37.7	26.9	27.0	22.2
JK Cement	144	13.7	12.6	11.2	133	132	130	57.2	67.2	79.8	32.5	27.7	23.3
Prism Cement	38	12.0	10.5	9.0	98	99	98	0.8	1.5	2.5	92.3	51.0	29.8
India Cements	37	9.6	8.7	7.6	59	57	54	4.9	5.7	7.6	24.8	21.1	15.9
Star Cement	34	8.5	6.4	5.6	77	71	67	6.1	7.5	7.9	13.6	11.1	10.5
JK Lakshmi Cement	34	6.4	5.6	4.8	46	43	40	20.0	23.7	27.8	14.6	12.3	10.5
Orient Cement	13	5.3	5.2	4.6	39	36	33	6.5	6.3	7.2	9.8	10.1	8.8

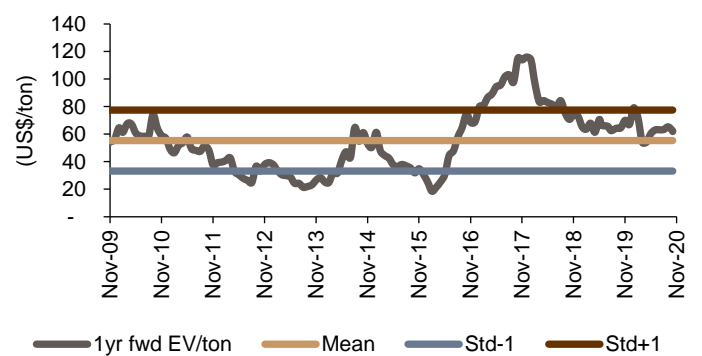
Source: Company, Emkay Research, *Dec-ending companies

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
Revenue	65,487	69,240	65,584	74,384	82,227
Expenditure	56,001	55,797	53,188	60,988	67,033
EBITDA	9,486	13,443	12,396	13,396	15,194
Depreciation	3,391	3,519	3,608	4,098	4,769
EBIT	6,095	9,924	8,789	9,298	10,426
Other Income	785	851	796	812	828
Interest expenses	3,705	3,877	3,911	4,109	4,245
PBT	3,174	6,898	5,674	6,002	7,009
Tax	617	1,763	1,450	1,534	1,792
Extraordinary Items	0	0	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
Reported Net Income	2,557	5,135	4,223	4,467	5,217
Adjusted PAT	2,557	5,135	4,223	4,467	5,217

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	52,148	56,244	60,904
Net worth	44,952	49,391	52,918	57,014	61,675
Minority Interest	0	0	0	0	0
Loan Funds	40,492	42,260	42,760	46,560	43,760
Net deferred tax liability	7,422	8,568	8,568	8,568	8,568
Total Liabilities	92,866	1,00,219	1,04,246	1,12,142	1,14,003
Net block	72,633	73,256	75,006	95,308	1,00,540
Investment	8,778	8,362	6,372	5,872	5,872
Current Assets	21,813	25,428	26,806	26,610	27,477
Cash & bank balance	1,390	3,888	3,983	3,998	3,960
Other Current Assets	0	0	0	0	0
Current liabilities & Provision	20,450	22,865	22,977	22,687	22,925
Net current assets	1,364	2,563	3,829	3,923	4,552
Misc. exp	0	0	0	0	0
Total Assets	92,866	1,00,219	1,04,246	1,12,142	1,14,003

Cash Flow

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
PBT (Ex-Other income) (NI+Dep)	3,174	6,898	5,674	6,002	7,009
Other Non-Cash items	(470)	0	0	0	0
Chg in working cap	1,309	1,299	(1,171)	(79)	(667)
Operating Cashflow	10,641	14,975	10,571	12,595	13,564
Capital expenditure	(4,197)	(10,088)	(8,358)	(12,400)	(6,000)
Free Cash Flow	6,444	4,887	2,213	195	7,564
Investments	(2,271)	416	1,990	500	0
Other Investing Cash Flow	0	0	0	0	0
Investing Cashflow	(5,434)	(9,672)	(6,368)	(11,900)	(6,000)
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
Financing Cashflow	(5,349)	(2,805)	(4,107)	(680)	(7,602)
Net chg in cash	(141)	2,498	95	15	(38)
Opening cash position	1,036	1,390	3,888	3,983	3,998
Closing cash position	1,390	3,888	3,983	3,998	3,960

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY19	FY20	FY21E	FY22E	FY23E
EBITDA Margin	14.5	19.4	18.9	18.0	18.5
EBIT Margin	9.3	14.3	13.4	12.5	12.7
Effective Tax Rate	19.4	25.6	25.6	25.6	25.6
Net Margin	3.9	7.4	6.4	6.0	6.3
ROCE	8.2	12.2	10.2	10.1	10.7
ROE	7.2	13.2	9.8	9.6	10.2
RoIC	9.3	15.5	13.5	12.1	11.6

Per Share Data (Rs)	FY19	FY20	FY21E	FY22E	FY23E
EPS	33.2	66.7	54.8	58.0	67.7
CEPS	77.2	112.4	101.7	111.2	129.7
BVPS	477.1	534.7	580.5	633.7	694.2
DPS	7.5	7.5	4.0	6.0	7.0

Valuations (x)	FY19	FY20	FY21E	FY22E	FY23E
PER	19.4	9.7	11.8	11.1	9.5
P/CEPS	8.3	5.7	6.3	5.8	5.0
P/BV	1.4	1.2	1.1	1.0	0.9
EV / Sales	1.3	1.2	1.3	1.2	1.0
EV / EBITDA	8.7	6.0	6.7	6.6	5.6
Dividend Yield (%)	1.2	1.2	0.6	0.9	1.1

Gearing Ratio (x)	FY19	FY20	FY21E	FY22E	FY23E
Net Debt/ Equity	0.9	0.8	0.8	0.8	0.7
Net Debt/EBIDTA	3.5	2.4	2.7	2.9	2.3
Working Cap Cycle (days)	(0.1)	(7.0)	(0.9)	(0.4)	2.6

Growth (%)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	14.3	5.7	(5.3)	13.4	10.5
EBITDA	17.4	41.7	(7.8)	8.1	13.4
EBIT	28.1	62.8	(11.4)	5.8	12.1
PAT	42.9	100.8	(17.8)	5.8	16.8

Quarterly (Rs mn)	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21
Revenue	16,269	17,151	16,900	12,220	16,543
EBITDA	3,121	2,946	3,446	2,331	3,827
EBITDA Margin (%)	19.2	17.2	20.4	19.1	23.1
PAT	883	815	1,947	658	1,666
EPS (Rs)	11.5	10.6	25.3	8.5	21.6

Source: Company, Emkay Research

Shareholding Pattern (%)	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20
Promoters	62.9	62.9	62.9	62.9	62.9
FIs	2.6	3.9	4.2	3.6	3.4
DIs	16.4	15.5	15.3	14.6	15.2
Public and Others	18.1	17.8	17.6	18.9	18.6

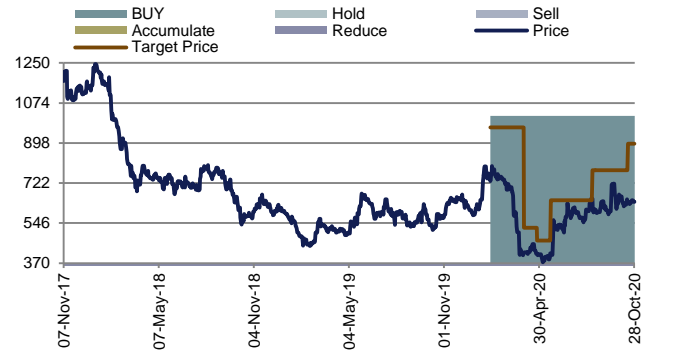
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
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)
Cement & Building Materials	2.27	2.27	0%	0	100.00
ACC	0.22	0.24	10%	2	10.42
Ambuja Cements	0.30	0.32	9%	3	14.29
Grasim Industries	0.47	0.15	-69%	-32	6.47
Birla Corporation	0.00	0.03	NA	3	1.50
India Cements	0.00	0.00	NA	0	0.00
JK Cement	0.00	0.05	NA	5	2.27
Jk Lakshmi Cement	0.00	0.04	NA	4	1.94
Orient Cement	0.00	0.00	NA	0	0.00
Prism Johnson	0.00	0.00	NA	0	0.00
Ramco Cements	0.16	0.21	28%	5	9.14
Shree Cements	0.32	0.33	0%	0	14.39
Star Cement	0.00	0.00	NA	0	0.00
Ultratech Cement	0.80	0.90	13%	10	39.58
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
Cash	0.00	0.00	NA	0	0.00

Source: Emkay Research

* Not under coverage: Equal Weight

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

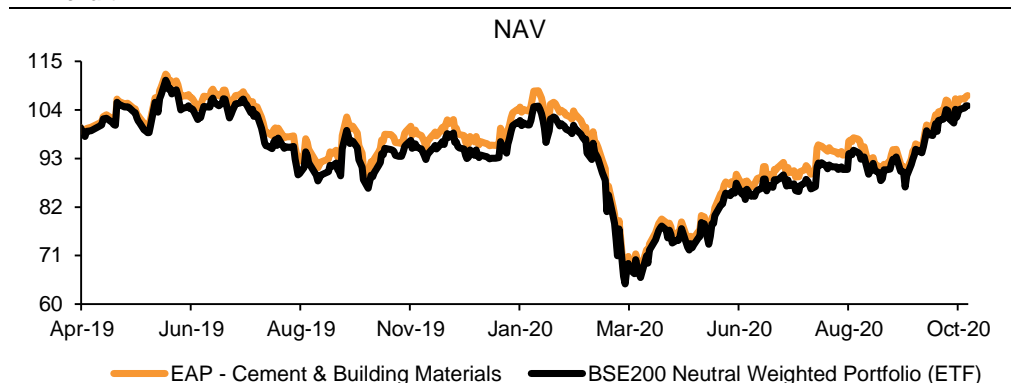
Sector portfolio NAV

	Base					Latest
	1-Apr-19	5-Feb-20	6-May-20	5-Aug-20	5-Oct-20	4-Nov-20
EAP - Cement & Building Materials	100.0	105.5	75.4	95.4	95.4	107.3
BSE200 Neutral Weighted Portfolio (ETF)	100.0	102.1	73.7	91.6	94.3	104.9

*Performance measurement base date 1st April 2019

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: 05 Nov 2020 23:39:15 (SGT)

Dissemination Date: 05 Nov 2020 23:40:15 (SGT)

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

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX). EGFSL along with its subsidiaries offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management, insurance broking and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com

EGFSL is registered as Research Analyst with SEBI bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in last five years, except that NSE had disabled EGFSL from trading on October 05, October 08 and October 09, 2012 for a manifest error resulting into a bonafide erroneous trade on October 05, 2012. However, SEBI and Stock Exchanges have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Our salespeople, 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 may be inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. 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 EGFSL 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 used by private customers in United Kingdom. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its Group Companies. 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. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

- This publication has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research publication relating to any issuer.

- Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets

Disclaimer for U.S. persons only: This research report is a product of Emkay Global Financial Services Limited (Emkay), which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account. This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associate¹ does not serve as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

1. EGFSL, its subsidiaries and/or other affiliates do not have a proprietary position in the securities recommended in this report as of November 5, 2020
2. EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Research Report
Disclosure of previous investment recommendation produced:
3. EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
4. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's does not have any material conflict of interest in the securities recommended in this report as of November 5, 2020.
5. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the November 5, 2020
6. EGFSL, its subsidiaries and/or other affiliates and Research Analyst have not received any compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
7. EGFSL, its subsidiaries and/or other affiliates and/or and Research Analyst have not received any compensation or other benefits from securities recommended in this report (subject company) or third party in connection with the research report.
8. Securities recommended in this report (Subject Company) has not been client of EGFSL, its subsidiaries and/or other affiliates and/or and Research Analyst during twelve months preceding the November 5, 2020

RESTRICTIONS ON DISTRIBUTION

General	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.
Australia	This report is not for distribution into Australia.
Hong Kong	This report is not for distribution into Hong Kong.
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	This report is not for distribution into Malaysia.
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 16800306E) or DBSVS (Company Regn. No. 1860024G) both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an agreement under Regulation 32C of the financial Advisers Regulations. Singapore recipients should contact DBS Bank Ltd at 6327 2288 for matters arising from, or in connection with the report.
Thailand	This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.
United Kingdom	This report is disseminated in the United Kingdom by DBS Vickers Securities (UK) Ltd, ("DBSVUK"). DBSVUK is authorised and regulated by the Financial Conduct Authority in the United Kingdom. In respect of the United Kingdom, this report is solely intended for the clients of DBSVUK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBSVUK. This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.
Dubai International Financial Centre	This research report is being distributed by DBS Bank Ltd., (DIFC Branch) having its office at units 608-610, 6 th Floor, Gate Precinct Building 5, PO Box 506538, Dubai International Financial Centre (DIFC), Dubai, United Arab Emirates. DBS Bank Ltd., (DIFC Branch) is regulated by The Dubai Financial Services Authority. This research report is intended only for professional clients (as defined in the DFSA rulebook) and no other person may act upon it.
United Arab Emirates	This report is provided by DBS Bank Ltd (Company Regn. No. 196800306E) which is an Exempt Financial Adviser as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. This report is for information purposes only and should not be relied upon or acted on by the recipient or considered as a solicitation or inducement to buy or sell any financial product. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situation, or needs of individual clients. You should contact your relationship manager or investment adviser if you need advice on the merits of buying, selling or holding a particular investment. You should note that the information in this report may be out of date and it is not represented or warranted to be accurate, timely or complete. This report or any portion thereof may not be reprinted, sold or redistributed without our written consent.
United States	DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.
Other jurisdictions	In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

Emkay Global Financial Services Ltd.

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