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Initiating Coverage
13th December 2021

Orient Cement Ltd

Capacity Expansion & structural cost advantage to drive growth

CMP: INR 166

Rating: BUY

Target Price: 238

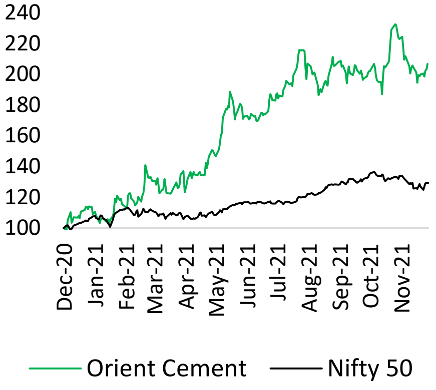
Stock Info	
BSE	535754
NSE	ORIENTCEM
Bloomberg	ORCMNT IN
Routers	ORCE.BO
Sector	Cement
Face Value (Rs)	1
Equity Capital (Rs mn)	204.9
Mkt Cap (Rs mn)	34,397
52W H/L (Rs)	186/77
Avg Yearly Vol (in 000')	1031.28

Shareholding Pattern %
(As on September 2021)

Promoters	37.37
Public & Others	62.63

Stock Performance (%)	1m	3m	12m
Orient Cement Ltd.	-5.74	1.65	111.4
Nifty 50	-3.11	1.06	29.7

Orient Cement Ltd. Price Chart



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Orient Cement Limited (OCL) is a mid-sized (8.0 MT) cost-efficient player in cement space. Its cement plants are in Devapur, Telangana (3 MT integrated), Chittapur, Karnataka (3 MT integrated), Jalgaon, Maharashtra (2 MT grinding unit). The company derives revenues largely from Maharashtra (50%), Telangana, Karnataka and MP markets It also has 95 MW power plant (95 MW CPP) that makes it self-sufficient in terms of power requirements

We initiate coverage on Orient Cement Limited (OCL) with a BUY recommendation with a Target Price (TP) of Rs 238/share, implying an upside of 43.7% from the current levels .We believe OCL is well-placed to take advantage of a revival in the cement demand in its operating regions by leveraging its planned capacity expansion, better monitoring of cost drivers, and improving financials.

Capacity Expansion OCL is expanding its cement grinding capacity from the present 8.0 million tonnes per annum (mntpa) to 11.5 mntpa. Furthermore, to be able to cater to the rising demand in its operating regions, it is undertaking a brownfield expansion to set up a 3 mntpa clinker line, 1 mntpa additional grinding unit at Devapur and 2 mntpa split grinding unit proposed at Tiroda near Devapur. The company is in process of obtaining permissions to proceed with its expansion plans and it is expected to take decisions in few months. The said capacities, which are expected to be operational in FY24, will enable OCL to capitalize on growth opportunities and strengthen its presence in the regions.

Cost efficiency Although OCL is a mid-sized cement company, it stands as one of the lowest-cost producers of cement in India owing to its proximity to raw material resources, captive power plants (95 MW), and other operational advantages. It sources limestone for cement from nearby mines with sufficient reserves to support operation for the next 35-40 years. The company is also setting up a 9 MW WHRS plant and 13.5 MW solar power plant to further reduce power/fuel costs. It has enhanced the use of AFRs in the power and fuel mix to optimize costs. Therefore, backward integration and proximity to raw material resources enable it to produce cement at a lower cost. These initiatives coupled with rising cement consumption demand are expected to grow EBIDTA margins from 16% in FY20A to 30% by FY24E..

Premiumization strategy to support growth supported by healthy financials : The company's focus on the premiumization strategies has resulted in the higher sale of premium cement Birla A1 Strong crete. This strategy is expected to enhance the sale from the current 9% of trade sales to 15% of trade sales in a few years. Backed by a robust cement demand and higher realizations, the company's financials have improved significantly with operating cash flow improving sharply

Outlook & Valuations : **We believe OCL is well-placed to take advantage of a revival in the cement demand in its operating regions by leveraging its planned capacity expansion, better monitoring of cost drivers, and improving financials. At a CMP of INR 166 stock is trading at a EV/EBIDTA multiple of 3.8(x) and 2.8(x) to its FY23E and FY24E .We value the stock at a EV/EBIDTA of 4(x) to its FY24E and initiate coverage on Orient Cement Limited (OCL) with a BUY recommendation with a Target Price (TP) of Rs 238/share, implying an upside of 43.7%**

Investment Rationale Continued

MMDR Impact :The company is exploring opportunities to further enhance its capacity through greenfield project in Rajasthan. This is dependent on transfer of mines from Orient Paper to Orient Cement. The recent changes in the MMDR Act do not require transfer charges to be paid which will help in cost effectiveness and speeding up the process when mines are transferred.

Prices in southern Market : Cement prices in southern market have risen post Diwali which is expected to sustain going ahead . Orient cement has major presence in southern market which will help in increasing realization and offset rise in Input cost.

Cost Analysis : Total operating cost of company has come down over period of FY19-FY21. Power and Fuel cost is major component in total operating cost which has come down from INR 7406 mn in FY19 to 6088 mn in FY21 mainly due to change in fuel mix and advanced booking of fuels.

Company Background

Orient Cement, set up in 1979, was formerly a part of Orient Paper and Industries. It commenced cement production in the year 1982 at Devapur in Adilabad district, Telangana. The company was demerged in 2012 and has made considerable progress since to emerge as India's one of the most efficient cement producers.

The company has two integrated cement plants at Devapur (3.4 mntpa Clinker and 3.0 mntpa grinding capacity), Chittapur (2.1 mntpa Clinker and 3.0 mntpa grinding capacity), and one split grinding unit at Jalgaon (2 mntpa capacity). It has a captive power plant at two of its locations Devapur (50 MW) and Chittapur (45 MW). The company's limestone mines are located in near-proximity areas.

Revenue Mix

Region	% of Reveneue (Approx)
West	50%
South	37%
Central	13%

Trade & Non Trade Mix

	Trade	Non Trade
FY20	50%	50%
Fy21	60%	40%

Key Managerial Person

Person Name	Designation
Mr CK Birla	Chairman
Mr Desh Deepak Khetrapal	MD & CEO
Mr Sumitra Bhattacharyya	CFO

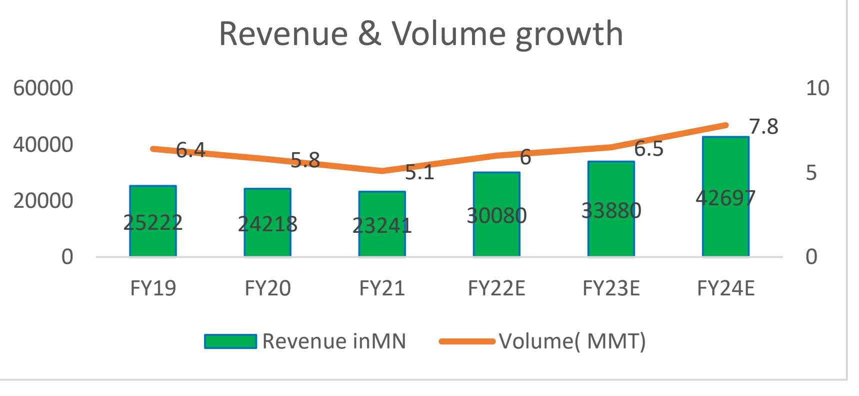
Investment Rationale Continued

Capacity expansion to sustain growth
Expanding plant capacities: OCL is a mid-sized cement company with a strong market position in its operating regions. The company has 3 cement manufacturing plants with 2 Integrated units and 1 split grinding unit located in South and West India. Currently, it is in the process of expanding its grinding capacity from the present 8 mntpa to 11.5 mntpa.. It is proposing to expand its Devapur plant capacity further by setting up 3 mntpa clinker lines, 1 mntpa additional grinding unit, and 2 mntpa split grinding unit at Tiroda near Devapur, taking the total capacity to 11.5 mntpa.

Setting up a WHRS plant: In addition to the capacity additions, OCL is also setting up a WHRS plant of 9 MW at the proposed location and the management expects the work on the projects to start within few months. These capacities are expected to get operational in FY24. Total Capex for the project is approximately INR 20,000 Mn and will be funded through internal accruals and debt.

Greenfield expansion in Rajasthan: The company is exploring opportunities to further enhance its capacity by setting up a greenfield project in Rajasthan. This stands dependent on the transfer of mines from Orient Paper & Industries to Orient Cement Limited. The management indicated that post-receiving necessary regulatory approvals will take up the project on a priority basis.

Demand recovery to drive growth: The above expansions will help the company to maintain the price premium and strengthen its product portfolio. In light of the positive outlook on the cement demand, the company expects to witness robust growth led by demand recovery. Existing plants in Jalgaon, Devapur,and Chittapur are expected to gain from price improvement across the markets.



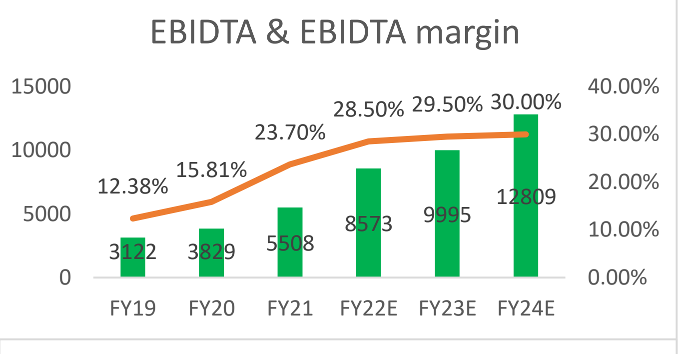
Investment Rationale Continued

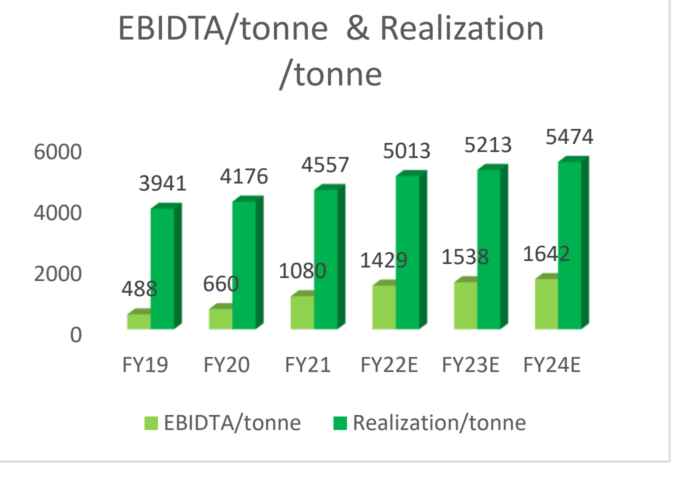
Structural Cost advantage :
Lowest cost producers of cement: Despite being a mid-sized Cement company, OCL has managed its cost structure well owing to which it is one of the lowest-cost producers of cement in India. In a competitive and capital-intensive business, success is derived from the ability to maximize asset utilization on one hand and superior operational efficiencies on the other. OCL has been successfully strengthening this culture of resource-optimization through innovation and continuous improvement.

Focus on manufacturing excellence: Over the years, OCL has consistently implemented improvement strategies as part of manufacturing excellence focusing on areas such as clinker factor reduction, energy efficiency improvements, fuel mix optimization, and higher usage of alternative fuels and raw materials.

Optimizing logistic costs: Logistic costs are critical to maintain an optimum cost structure and to address the same in the current scenario of rising diesel prices, it reduced delivery turnaround time and focused on limiting the average delivery distance to around 300 km from its plants. Besides, the company optimized road-based deliveries through competitive freight negotiation, reverse logistics, and increased direct dispatch. The company has also increased cement despatches through the railway. The current road and railway mix stand at 80:20

EBIDTA margins to witness substantial expansion: In the backdrop of these initiatives coupled with rising demand in cement consumption, Pet coke coal and fuel cost expected to come down we expect EBIDTA margins to grow from 16% in FY20 to 30% byFY24E.





Investment Rationale Continued

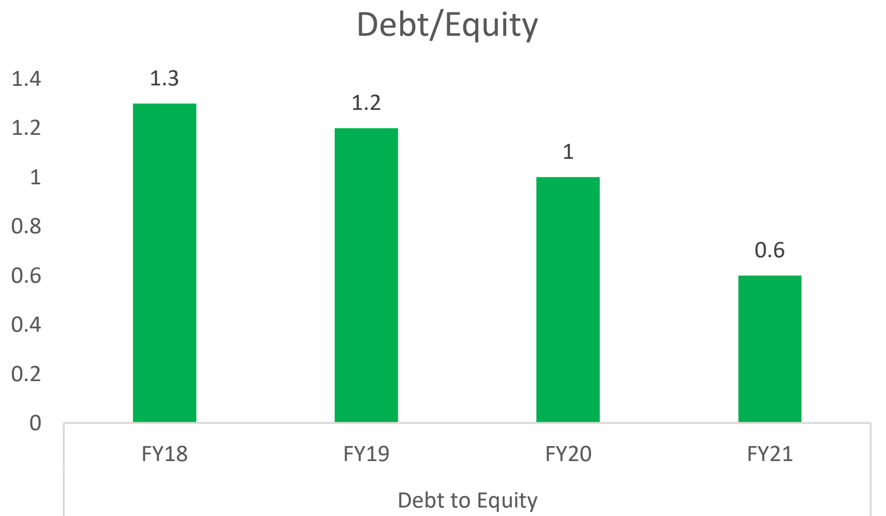
Focus on premium cement and improving financials to support future growth

Launch of Premium cement : : OCL introduced premium Cement brand Birla A1 strong Crete. in 2019. Consistent investment in brand building strengthened customer loyalty helped establish the premium offering of Birla A1 strong crete as a premium product best suited for load-bearing concrete structures

Increasing focus on premium products: During FY20, OCL launched ' premium cement brand Birla A1 strongcrete in more markets, supported by reader-friendly content to educate consumers about the brand's differentiation and Its value-proposition as a premium product was addressed through various platforms. These efforts resulted in a higher sale of premium cement within two years of launch. Currently, premium cement forms9% of overall trade sales and the company aims to take the same to 15% in few years. The price difference between premium and normal cement is Rs 35-Rs40 per bag.

Widening footprints: The company leverages its strong brand recall as well as the strategic location of its Devapur, Jalgaon, and Chittapur plants. It has also strengthened its sales and distribution network by adding 490 dealers and 1890 retailers in FY20. Besides strengthening its presence in its operating region of North Telangana and Maharashtra, it has also ventured into newer markets and widened its footprint across South Karnataka, South Gujarat, and West Madhya Pradesh. It has further deepened its customer centricity with institutional clients by leveraging its Key Account Management System.

Strengthening balance sheet: Loan repayments have led to an improvement in debt/equity and interest coverage ratio. The continuous deleveraging of the balance sheet augurs well for the company as the current debt/ equity ratio stands at 0.6x from 1.3x in FY18 and With further capacity expansion on the cards, strengthening the balance sheet in a cyclical cement industry provides operational comfort while supporting future growth. We expect the capital structure of the company to remain healthy over the medium to long term.



Investment Rationale Continued

Cost Analysis : Total operating cost of company has come down over period of FY19-FY21. power and fuel cost is one of the major component in total operating cost which has come down from INR 6655 mn in FY19 to 4506 mn in FY21 mainly due to change in fuel mix and advanced booking of fuels. As compared to its peer as on FY21 company's Raw material cost as a % of sales is 13% where as Sagar cement raw material as % of sales is 15.8%. Power and fuel cost as % of sales is 19% where as for Sagar cement it is 22% of sales . and other manufacturing expenses as % of sales is 26%. Where as for Sagar cement it is 22%. Power and fuel cost and other manufacturing expenses as% of sales for Deccan cement is 28% and 34% respectively. Orient cement has lower operating expense as compared to its peers leading to better margin expansion. Going ahead also better growth in topline led by upcoming capex and cost efficiency measures we expect margin to outperform its peers.

FY21 (INR MN)	Orient	Deccan	Sagar
Sales	23241	7580	13710
EBIDTA	5508	1760	3970
EBIDTA Margin	23.70%	23.2	29.0
PAT	2143	1151	1860
PAT margin	9.20%	15.2	13.6
Volume	5.1	1.8	3.2
EBIDTA/ton	1080	978	1241
Realization/ton	4557	4211	4284

Revenue expected to grow at a CAGR of 16% over FY21-FY24E: We expect revenue from operation to grow at CAGR of 16% over period FY19-FY24E to INR 42697 Mn backed by increasing demand scenario led by increasing government capex in Telangana region. Company has strong distribution network with more than 3000 dealers Company has strong presence in Telegana, Karnataka and Maharashtra region it has also ventured into newer markets and widened its footprint across South Karnataka, South Gujarat, and West Madhya Pradesh.

Cement Sector Outlook

India is the world's second-largest cement producer (after China) and accounts for over 8% of the global installed capacity. The cement industry is one of the key drivers of the Indian economy and employs over one million people. The industry plays a crucial role in the development of the housing and infrastructure sector of the economy.

The Indian cement industry is one of the most technologically advanced industries with state-of-the-art plants that are at par with the global standards. The country has 144 integrated large cement plants 107 grinding units, 62 mini cement plants, and 5 clinkerisation units

The current capacity of the Indian cement industry is ~500 mntpa and the average capacity utilization ranges between 65-70%. India's cement demand is expected to reach 550-600 Million Tonnes per annum by 2025. The three most common cement types produced in India are OPC, PPC, and PSC. Per-capita cement consumption in India stands ~230 kg, much lower than the global average of 530 kg, indicating significant growth potential for the industry in the coming years. We expect the industry to grow at a CAGR of 9% between FY21-FY23.

The Indian cement sector has a strong linkageto other sectors such as infrastructure, construction, housing, transportation, coal, power, and steel, among others. The industry plays a pivotal role in implementing various government schemes such as Housing for All,Smart Cities, Concrete Highways, Dedicated Freight Corridors, Clean India Mission, Ultra Mega Power Projects, and Waterways, to name a few

The housing or real estate sector accounts for ~66% of cement consumption in India followed by public infrastructure (22%) and industrial development (12%). The outlook for the cement industry continues to remain favourable with expected demand from the housing sector; primarily from rural and affordable housing, and improved government focus on infrastructure segments; mainly roads, railway, and irrigation projects.

Key Risks

- **Regional demand-supply dynamics**: Being a regional play, the regional cement demand-supply dynamics may adversely impact the company's realization levels and consequently its profitability. Adverse and unforeseen changes such as demand slowdown may lead to non-absorption of the extended capacity, owing to which our earnings estimate may render inaccurate. To mitigate regional dynamics risk, the company is expanding its capacity to further strengthen its presence in existing markets along with expanding into newer markets
- **Industry Cyclicality**: The cement industry is highly cyclical and depends largely on the economic growth of the country with a significant correlation with GDP growth. Hence, any slowdown in the country's economic growth or economic contraction may hamper the prospects of the cement industry and thereby the company. However, OCL's robust presence and strong brand recall in its key markets of Maharashtra and Telangana, and improving control over operating costs provide OCL insulation from this risk to some extent.
- **Fluctuation in input prices**: Fluctuation in input costs such as coal, pet coke, limestone, fly ash and slags, and power & fuel may affect the cost

Q2Y22 Result analysis

INR mn	Q2FY22	Q2FY21	Q1FY22	YOY	Q0Q
Net Revenue	**6,131**	**4,775**	**6,909**	***28.4%***	***-11.3%***
Operating Costs	**3,737**	**2,785**	**4,017**	***34.2%***	***-7.0%***
Employee cost	369	361	400	*2.2%*	*-7.8%*
Other Expenses	686	497	630	*38.0%*	*8.9%*
EBITDA	**1,339**	**1,132**	**1,862**	***18.3%***	***-28.1%***
EBITDA margin %	*21.8%*	*23.7%*	*27.0%*	*-187bps*	*-511bps*
Depreciation	364	354	353	*2.8%*	*3.1%*
EBIT	**975**	**778**	**1,509**	***25.3%***	***-35.4%***
Other Income	30	27	21	*11.1%*	*42.9%*
Finance cost	149	263	159	*-43.3%*	*-6.3%*
Exceptional Item	-	-	-	-	-
PBT	**856**	**542**	**1,371**	***57.9%***	***-37.6%***
Tax Expense	288	194	477	*48.5%*	*-39.6%*
Effective tax rate %	33.6%	35.8%	34.8%	*-215bps*	*-115bps*
PAT	**568**	**348**	**894**	***63.2%***	***-36.5%***
PAT margin %	*9.3%*	*7.3%*	*12.9%*	*198bps*	*-368bps*
EPS (Rs)	**2.70**	**1.70**	**4.30**	***58.8%***	***-37.2%***

- Revenue from operation grew by 28% YoY however declined by 11% QoQ to INR 6131 mn backed by YoY growth in volumes and realization sales volume grew by 25.5% YoY however declined by 5.9% QoQ to INR to 1.28 mn and realization grew by 2.3% YoY however declined by 5.7% QoQ to INR 4790

- EBIDTA grew by 18% YoY however declined by 28% QoQ to INR 1339 mn EBIDTA margin contracted by 187 bps YoY and 511 bps QoQ to 21.8% pressure on margin was mainly due to higher input cost especially power and fuel cost . Power and fuel cost rose by 19% YoY to 8780 mn

- PAT grew by 63% YoY however declined by 36.5% QoQ to 568 mn PAT margin expanded by 198 bps YoY however contracted by 368 bps to 9.3% PAT margin expanded YoY basis due to higher operating profit and higher other income

Key Extracts from Management Commentary on Q2 FY22 result call

•The company is targeting significant debt reduction by FY24E. In H1FY22, OCL repaid total debt of INR 2040 mn . Expect debt levels to come down to 2500 mn in FY24E from INR 7838 mn in FY21.

•In the next phase of expansion, the company would add 3 MT clinker unit at Devapur, Telangana with 1 MT GU in the same location and 2 MT GU near Devapur along with WHRS and CPP with likely capex of INR 20,000 Mn.

•Large part of the capex is likely to be incurred in FY24E only.. In FY23E, the company would incur capex of INR 2500 Mn(| 1500 Mn for capacity expansion, 1000 Mn for WHRS)

Rajasthan Expansion – The company is exploring opportunities to further enhance its capacity by greenfield project in Rajasthan. This is dependent on transfer of mines from Orient Paper to Orient Cement. The recent changes in the MMDR act do not require transfer charges to be paid. Hence, this will be taken up on a priority basis if necessary regulatory approval is received

•Entered into MoU with Adani Power for setting up 2 MT GU Near Tiroda

•The company aims to become a 14.5 MT cement player by FY26E entailing total capex of ~INR 36000 Mn

Valuation and Outlook

We believe OCL is well-placed to take advantage of a revival in the cement demand in its operating regions by leveraging its planned capacity expansion, better monitoring of cost drivers, and improving financials. Future outlook for the company looks promising backed by notable revival in infra and housing projects , company focus on capacity expansion and increasing market share of premium products At a CMP of INR 166 stock is trading at a EV/EBIDTA multiple of 3.8(x) and 2.8(x) to its FY23E and FY24E .We value the stock at a EV/EBIDTA of 4(x) to its FY24E and initiate coverage on Orient Cement Limited (OCL) with a BUY recommendation with a Target Price (TP) of Rs 238/share, implying an upside of 43.7%

Particular (Rs in Mn)	FY24E
EV/EBIDTA(x)	4
EBIDTA	12,809
EV	51236
Cash & bank	649
Debt	3,000
M Cap	48885
No Shares	205
Fair Value	238
CMP (Rs)	166
Upside	43.7

Exhibit 12 : Peer Comparison Table as on FY21

Particulars (in Mn.)	Orient Cement Limited	Sagar Cement Limited	Deccan Cement
CMP (as on 10- Dec -2021)	166	252	598
Revenue	23241	13710	7580
EBIDTA	5508	3970	1760
PAT	2143	1860	1150
Margins			
EBITDA Margin	23.7	29.0	23.2
PAT Margin	9.2	13.6	15.2
Return Ratios			
ROE (%)	16.4	15.4	20.4
Leverage			
Debt- Equity (x)	0.6	0.5	0.1
Valuation			
EPS	10.5	15.8	82.1
P/E	15.9	15.9	7.3
EV/EBIDTA	7.5	8.4	3.7

***Financials are as on FY21**

Financial Statement

Income Statement

Y/E March (Rs Mn)	FY20	FY21	FY22E	FY23E	FY24E
Revenues	**24,218**	**23,241**	**30,080**	**33,880**	**42,697**
Change (%)	-4.0%	-4.0%	29.4%	12.6%	26.0%
Cost of Goods Sold	16,056	13,842	16,544	18,295	22,629
Employee costs	1,549	1,525	1,654	1,863	2,348
Other expenses	**2,784**	**2,366**	**3,309**	**3,727**	**4,910**
Total operating Expense	**20,389**	**17,733**	**21,507**	**23,885**	**29,888**
EBITDA	**3,829**	**5,508**	**8,573**	**9,995**	**12,809**
Other Income	177	183	211	237	299
Depreciation	1,409	1,419	1,465	1,384	1,444
Interest	1,223	936	768	540	360
PBT	**1,374**	**3,336**	**6,550**	**8,308**	**11,304**
Extra-ordinary	0	0	0	0	0
PBT after ext-ord.	**1,374**	**3,336**	**6,550**	**8,308**	**11,304**
Tax	508	1,193	2,343	2,972	4,044
Rate (%)	*37.0%*	*35.8%*	*35.8%*	*35.8%*	*35.8%*
PAT	**866**	**2,143**	**4,207**	**5,336**	**7,261**
Change (%)	*81.3%*	*147.4%*	*96.3%*	*26.8%*	*36.1%*

Source: Company, Arihant Research

Balance Sheet

Y/E March (Rs Mn)	FY20	FY21	FY22E	FY23E	FY24E
Sources of Funds					
Share Capital	205	205	205	205	205
Reserves & Surplus	10,979	12,854	16,777	21,829	28,806
Net Worth	**11,184**	**13,059**	**16,982**	**22,034**	**29,011**
Long term debt	11354	7838	6400	4500	3000
Short term debt	3	0	0	0	0
Total Debt	**11,357**	**7,838**	**6,400**	**4,500**	**3,000**
Other Liablities & Provisions	6457	7224	6876	5062	5842
Capital Employed	**28,998**	**28,121**	**30,258**	**31,596**	**37,853**
Application of Funds					
Net Block	22,098	21,460	22,160	23,060	24,060
Deffered Tax & other liblity	0	0		0	0
Other Non-Current Assets	2,053	1,806	1,940	1,890	1,840
Non Current Asset	**24,151**	**23,266**	**24,100**	**24,950**	**25,900**
Investments	0	0	0	0	0
Debtors	1,618	1,102	1,426	1,606	2,025
Inventories	2,366	1,705	2,448	2,707	3,348
Cash & bank balance	360	362	598	647	649
Loans & advances & other CA	503	1,686	1,686	1,686	5931
Total current assets	**4,847**	**4,855**	**6,158**	**6,646**	**11952**
Total Assets	**28,998**	**28,121**	**30,258**	**31,596**	**37853**

Financial Statement

Cash Flow Statement

Y/E March (Rs Mn)	FY20	FY21	FY22E	FY23E	FY24E
PBT	**1,374**	**3,336**	**6,550**	**8,308**	**11,304**
Depreciation	1,409	1,419	1,465	1,384	1,444
Interest & others	1,178	904	735	507	327
Cash flow before WC changes	3,860	5,568	8,750	6,799	5,875
(Inc)/dec in working capital	**-635**	**2,163**	**-3,440**	**-185**	**-217**
Operating CF after WC changes	3,225	7,731	5,310	6,614	5,658
Less: Taxes	-307	-590	-2,343	-2,972	-4,044
Operating cash flow	**2,918**	**7,141**	**2,967**	**3,642**	**1,614**
(Inc)/dec in F.A + CWIP	-766	-507	-700	-900	-1,000
(Pur)/sale of investment	0	0	0	0	0
Cash flow from investing	**-732**	**-1,616**	**-668**	**-868**	**-968**
Free cash flow (FCF)	**2,134**	**6,627**	**2,267**	**2,742**	**614**
Loan raised/(repaid)	-600	-4,306	-1,000	-1,900	0
Equity raised	0	0	0	0	0
Interest & others	-1,206	-932	-768	-540	-360
Dividend	0	-212	-284	-284	-284
Cash flow from financing activities	**-2,059**	**-5,521**	**-2,052**	**-2,724**	**-644**
Net inc /(dec) in cash	**126**	**4**	**247**	**50**	**2**
Opening balance of cash	220	346	350	598	647
Closing balance of cash	346	350	598	647	649

Source: Company, Arihant Research

Key Ratios

Y/E March (Rs Mn)	FY20	FY21	FY22E	FY23E	FY42E
Per share (Rs)					
EPS	4.2	10.5	20.5	26.0	35.4
CEPS	11.1	17.4	27.7	32.8	42.5
BVPS	545.6	637.0	828.4	1074.8	1415.2
Valuation (x)					
P/E	39.3	15.9	8.1	6.4	4.7
P/CEPS	8.6	5.5	3.4	2.9	2.2
P/BV	0.3	0.3	0.2	0.2	0.1
EV/EBITDA	11.8	7.5	4.6	3.8	2.8
Return Ratios (%)					
Gross Margin	33.7%	40.4%	45.0%	46.0%	47.0%
EBIDTA Margin	15.8%	23.7%	28.5%	29.5%	30.0%
PAT Margin	3.6%	9.2%	14.0%	15.8%	17.0%
ROE	7.7%	16.4%	24.8%	24.2%	25.0%
ROCE	10.7%	19.6%	30.4%	32.5%	35.5%
Leverage Ratio (%)					
Total D/E	1.0	0.6	0.4	0.2	0.1
Turnover Ratios					
Asset Turnover (x)	0.8	0.8	1.0	1.1	1.1
Inventory Days	54	45	54	54	54
Receivable Days	24	17	17	17	17
Payable days	27	29	22	22	24

Source: Company, Arihant Research

Arihant Research Desk

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research Analyst Registration No.	Contact	Website	Email Id
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