

Capacity Expansion, Established Market Position & Healthy Financial to drive market share/ returns

We initiate coverage on Star Cement Limited (SCL) with a BUY recommendation and a Target Price of Rs. 115 which implies an upside of 26% from the current levels. SCL is a leading cement producer in North East India with a capacity of 4.3 mntpa and strong market position in its key markets. The company has estimated market share of 23% in the North East India cement market. Currently the company is in the process of expanding its existing grinding capacity from 4.3 mntpa to 6.3 mntpa which will get operational in Q4FY21. The company reported decent Q2FY21 results with both revenue and volume growing at 5% and 5.8% respectively. With capacity expansion, better monitoring of cost drivers and increased realization, SCL is expected to report Revenue/Ebitda/APAT CAGR of 16%/20%/16% respectively between FY20-FY23E driven by volume CAGR of 15% and improvement in realization CAGR of 1% between FY21E-FY23E. We value SCL at 7x FY22E EV/EBITDA to arrive at TP of Rs.115 as we see strong re-rating potential on the back of healthy growth. Our key investment thesis are as follows.

Capacity expansion to drive volume and revenue growth for the company.

SCL is in the process of expanding its present grinding capacity from 4.3 mntpa to 6.3 mntpa. The unit will get operational in Q4FY21. The 2 million tonne per annum (mntpa) grinding capacity is coming at Siliguri, West Bengal in the eastern India which will help the company to spread its wings in the growing market of eastern India which currently forms 25% of its total revenue. The company can further consolidate its position in its key market of East and increase the overall revenue and volume share going forward. With the expanded capacity and better utilisation going forward, we expect volume CAGR of 15% over FY20A-FY23E which is significantly higher than expected industry growth of 2% CAGR over the same period. We expect the company to clock revenue CAGR of 16% over the same period.

Strong market presence in its key market of North East & growing in East India.

SCL is the largest cement producer in North- East India with estimated market share of 23% in FY20. The North-East region contributes 75% of total revenue with strong brand visibility which enables the company to enjoy premium pricing in the region. Since Eastern India has the lowest per capita consumption of cement in India, the sustainable increase in demand on the back of housing and infra activities augurs well for the company. With better capacity utilization, more benign pricing environment and improve demand, we expect EBIDTA margins to grow from 20.6% in FY20A to 23.9% by FY23E. As a result, EBIDTA/tonne improves by 13% over the period FY20A-23E to Rs.1554/tonne.

Integrated nature of operation with efficient cement plants.

SCL integrated nature of operation supported by captive lime stone mines having sufficient reserves, 51 MW power plant and 2.8 mntpa clinkerization facility which adds to its operational efficiency. With proposed set up of new clinkerization unit (2mntpa) and 15 MW West Heat Recovery System plant (WHRS) further improvement in operating efficiency will lead to better margins going forward.

Healthy Financials to support future growth.

The Company exhibits a healthy financial position with very low debt, high interest coverage ratio and strong return ratios. The capex for the ongoing capacity expansion has been met out of the internal accruals of the company. Further the company has sufficient liquidity to meet any incremental capex going forward. We believe that capital structure of the company will remain healthy from medium to long term perspective.

Robust growth outlook – Initiate with BUY

With the coming up of new grinding capacity in the growing East India market and strong position in North East India, we expect the company to improve its overall market presence in its key regions of operation leading to higher volume and revenue growth for the company going forward. Current valuations are attractive at 5.5x FY22E EV/EBITDA. **Initiate coverage with BUY and target price of Rs.115/share, valuing the company at 7x of its FY22E EV/EBITDA.**

Key Financials

(Rs. mn)	FY20A	FY21E	FY22E	FY23E
Net Sales	18439	16454	24474	28695
EBITDA	3951	3387	5607	6854
Net Profit	2873	2390	4142	4468
EPS (Rs.)	7	6	10	11
PER (x)	10	12	7	6
EV/EBITDA (x)	6.4	9.6	5.5	4.2
P/BV (x)	1.46	1.31	1.12	0.96
ROE (%)	15.4	11.6	17.7	16.4

Source: Company, Axis Research

CMP as of Dec 29, 2020)

CMP (Rs)	91
Upside /Downside (%)	26%
High/Low (Rs)	107/56
Market cap (Cr)	3788
Avg. daily vol. (6m) Shrs.	291946
No. of shares (Cr)	41.24

Shareholding (%)

	Mar-20	Jun-20	Sep-20
Promoter	66.8	66.8	67.2
FIIs	0.2	0.2	0.2
MFs / UTI	7.4	7.5	7.4
Banks / FIs	0.0	0.1	0.0
Others	25.6	25.5	25.2

Financial & Valuations

Y/E Mar (Rs. mn)	FY21E	FY22E	FY23E
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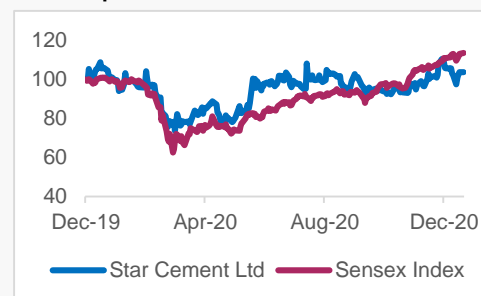
Key Drivers (%) (Growth in %)

Y/E Dec	FY21E	FY22E	FY23E
Net Sales	-11%	49%	17%
EBITDA	-14%	66%	22%
Net Profit	-17%	73%	8%

Axis vs Consensus

EPS Estimates	2021E	2022E	2023E
Axis	6	10	11
Consensus	5.7	7.4	8.6
Mean Consensus TP (12M)			109

Relative performance



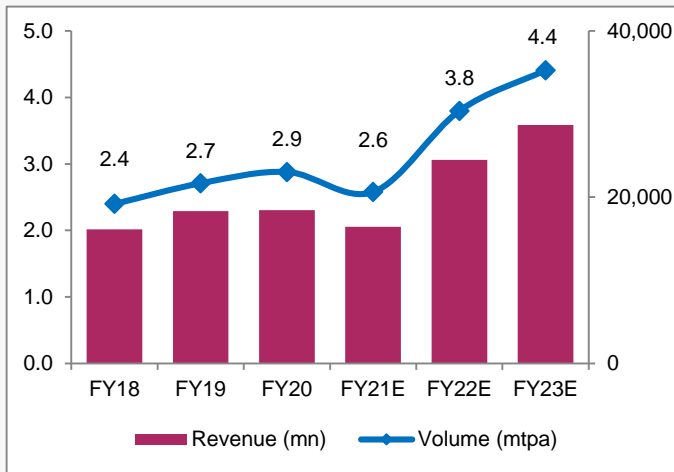
Source: Capitaline, Axis Securities

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Financial Story In Charts

Exhibit 1: Revenue and Volume Trend



Source: Company, Axis Securities

Exhibit 2: Capacity expansion and Utilization trend

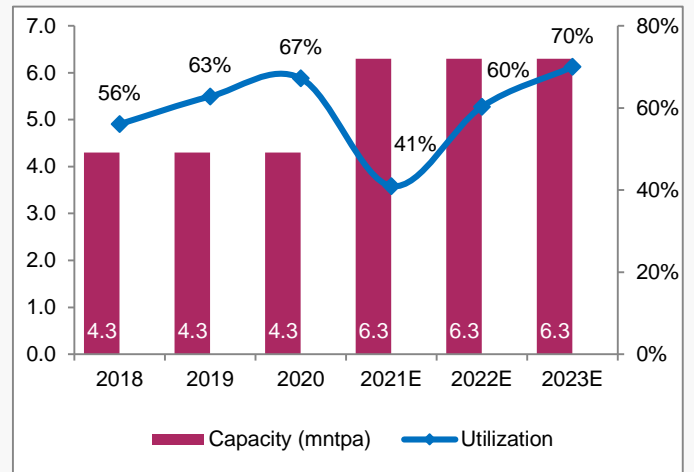
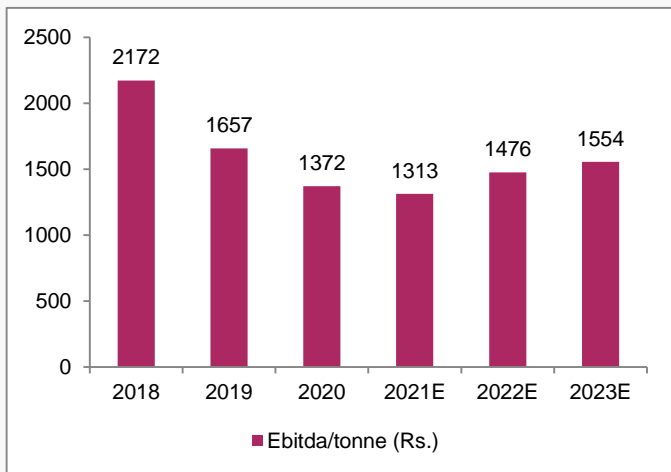


Exhibit 3: EBITDA /Tonne to increase



Source: Company, Axis Securities

Exhibit 4: EBITDA & EBITDA margin to increase (Rs. in mn)

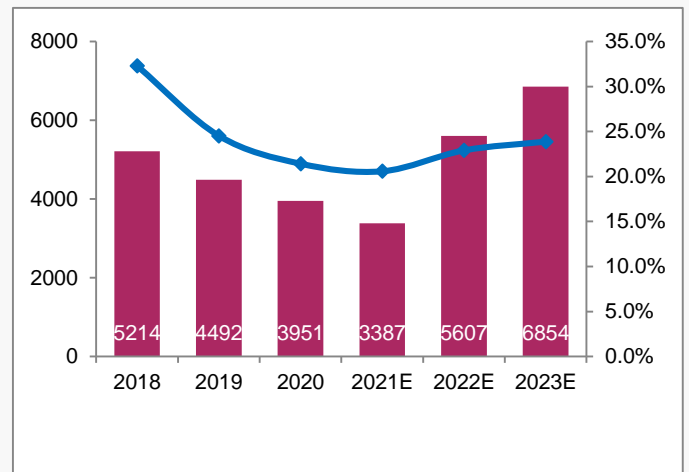
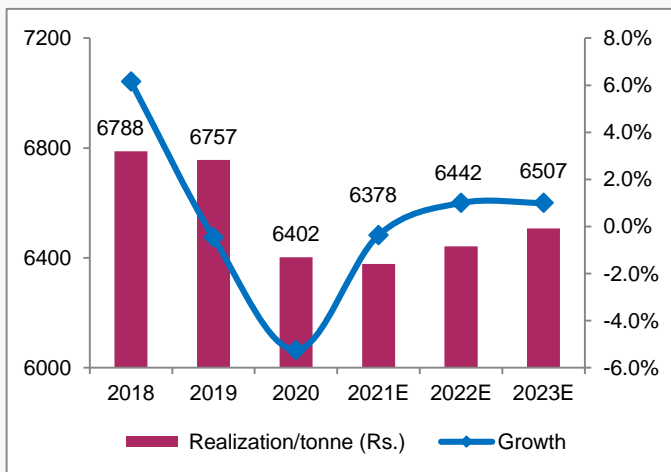


Exhibit 5: Realization tonne / Growth trend



Source: Company, Axis Securities

Exhibit 6: Trend in cost/ Tonne

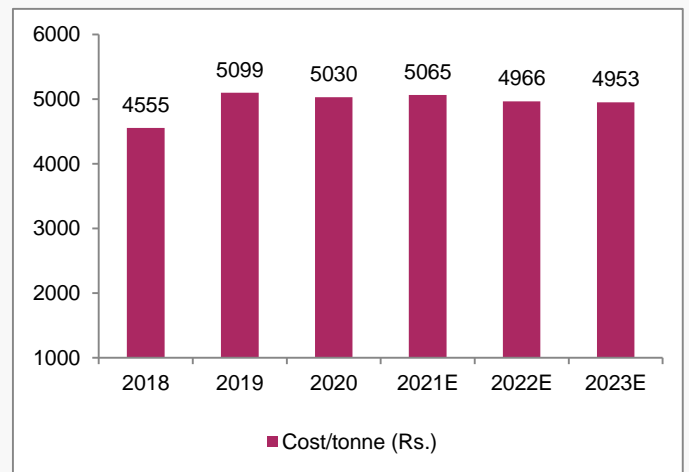
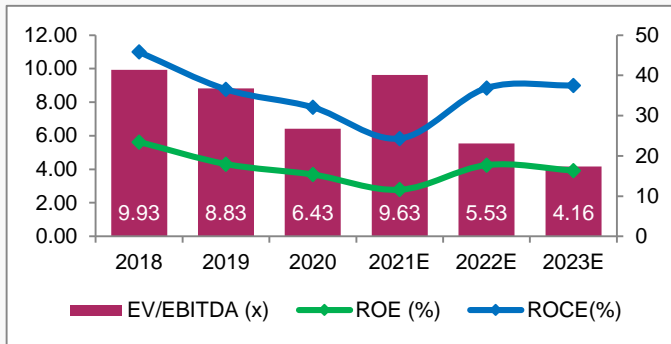
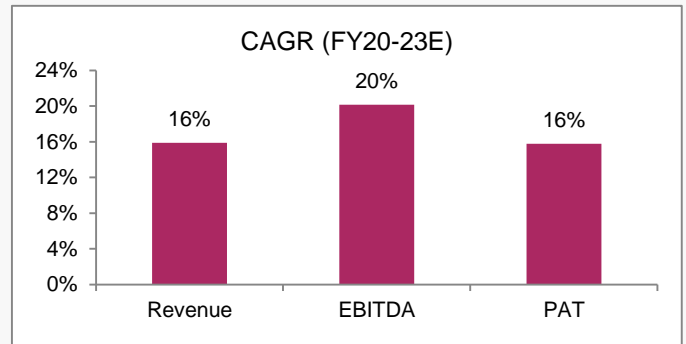
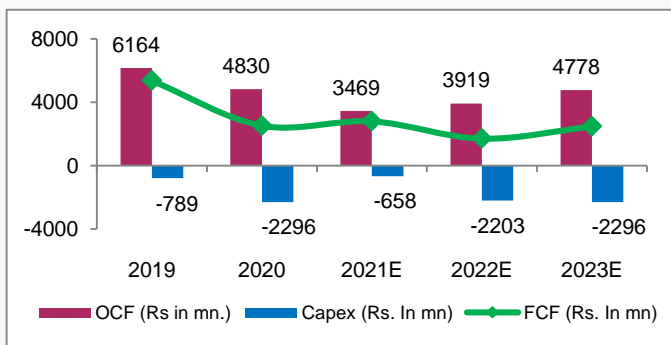
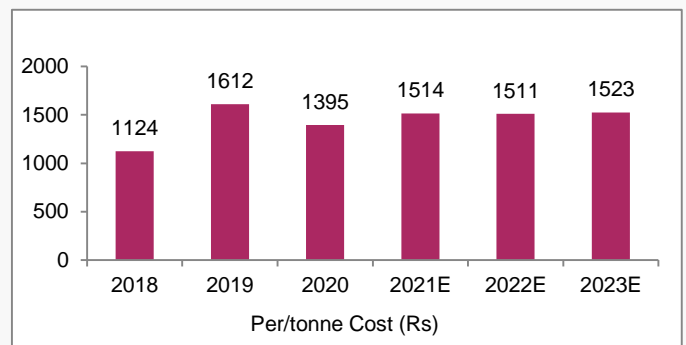
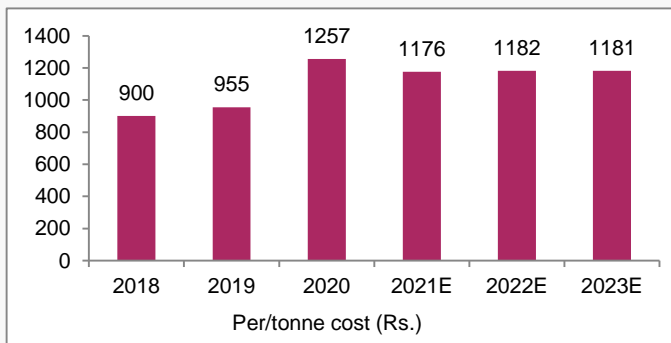


Exhibit 7: Valuation gets attractive on FY23E EV/EBITDA


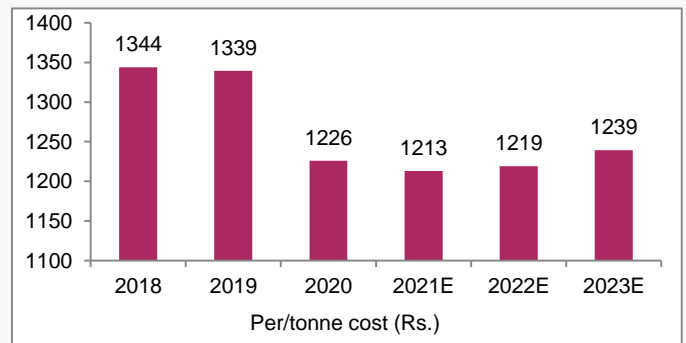
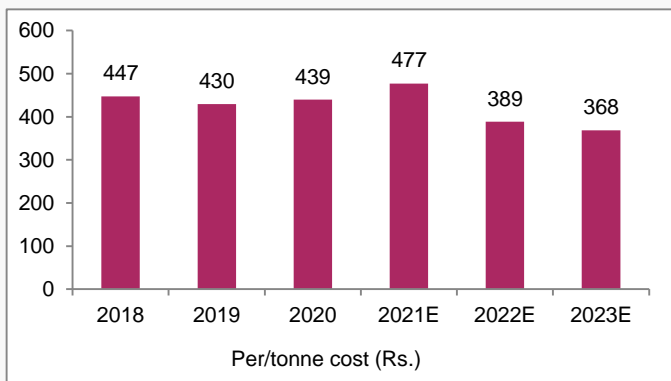
Source: Company, Axis Securities

Exhibit 8: CAGR trend in Revenue, EBITDA and Profit

Exhibit 9: OCF and FCF to increase capex intensity to decrease


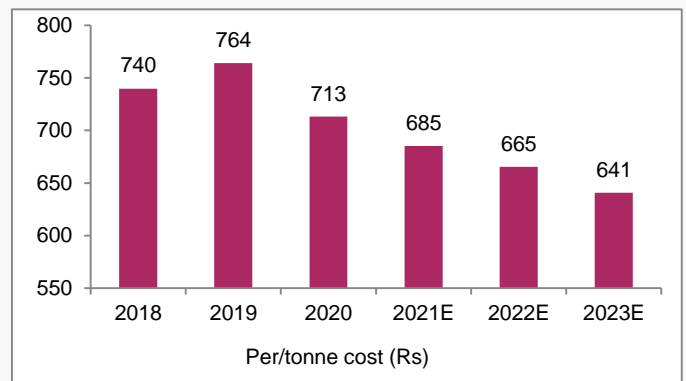
Source: Company, Axis Securities

Exhibit 10: Raw Material cost/ Tonne

Exhibit 11: Power & Fuel cost/ Tonne


Source: Company, Axis Securities

Exhibit 12: Freight & Forwarding cost/ Tonne

Exhibit 13: Employee cost/ Tonne


Source: Company, Axis Securities

Exhibit 14: Other expenses/ cost /Tonne


Capacity expansion to drive volume and revenue growth for the company

- The Company has four manufacturing units in Meghalaya, one in Assam and three outsourced units in West Bengal. Total cement capacity stands at 4.3 million metric tonnes, 2.8 million metric tonnes for clinker and 51 megawatts of power plant. The Company enjoys a substantial presence in North East India and is the largest cement producer in the region. The company also derives ¼ of its revenue from Eastern India market apart from the North East by selling cement in Bihar, Jharkhand and West Bengal.
- SCL is in the process of expanding its present grinding capacity by 45% from current 4.3 mntpa to 6.3 mntpa by setting up 2 mntpa grinding unit in Siliguri, West Bengal. The said unit will commence its production in Q4FY21 and will allow the company to capture further market share in the growing East India market. The presence of a grinding unit will empower the company to create a larger market for its products and strengthen relations with trade partners who will be more assured of quicker and larger supplies. This grinding facility will enable the Company to address a sustained 8-10 per cement growth coming of this market. In the next 3 -4 years, the company aims to derive 40% of revenue from Eastern India and 60% revenue from North East India. Total cost of expansion is Rs.350 crores.
- The per capita consumption of cement in North East India is about 142 kgs and Eastern India is 203 kg against all India average of around 225 kgs and global average of around 500 kgs. The result is that North East and East India is deficient in cement consumption but increasingly marked by higher income, which is expected to accelerate the offtake of cement going forward. Further the Eastern market is growing at 9% CAGR since FY10. Incremental demand for cement in the region is expected to outpace incremental supply on the back of rising demand from rural housing, infra and construction activities and higher allocation of government funds to the region.
- With the extended capacity and better utilisation going forward, we expect volume CAGR of 15% over FY20A-FY23E which is significantly higher than expected industry growth of 2% CAGR over the same period. We expect the company to clock revenue CAGR of 16% over the same period.

Exhibit 15: Lumnshong Plant

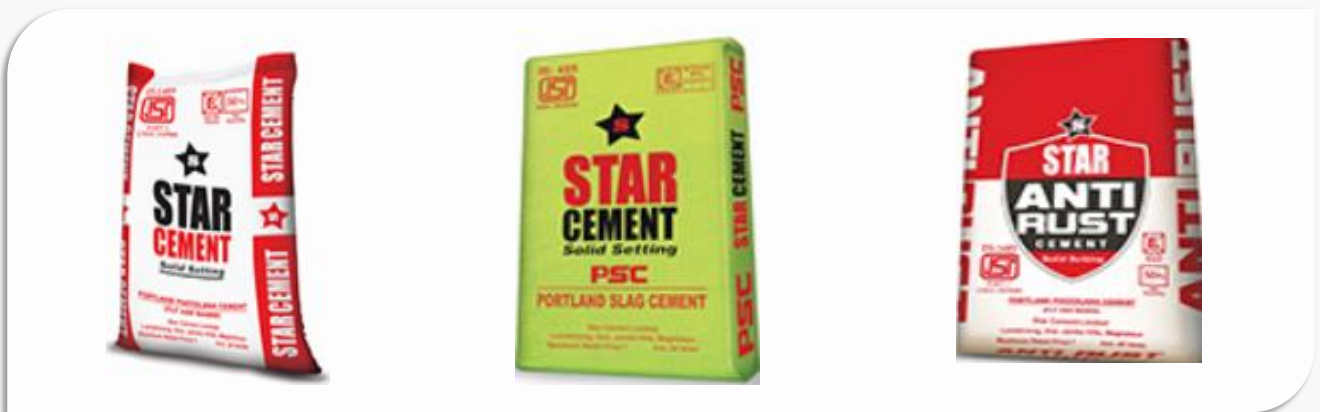


Source: Company, Axis Securities

Strong market presence in its key market of North East & growing in East India.

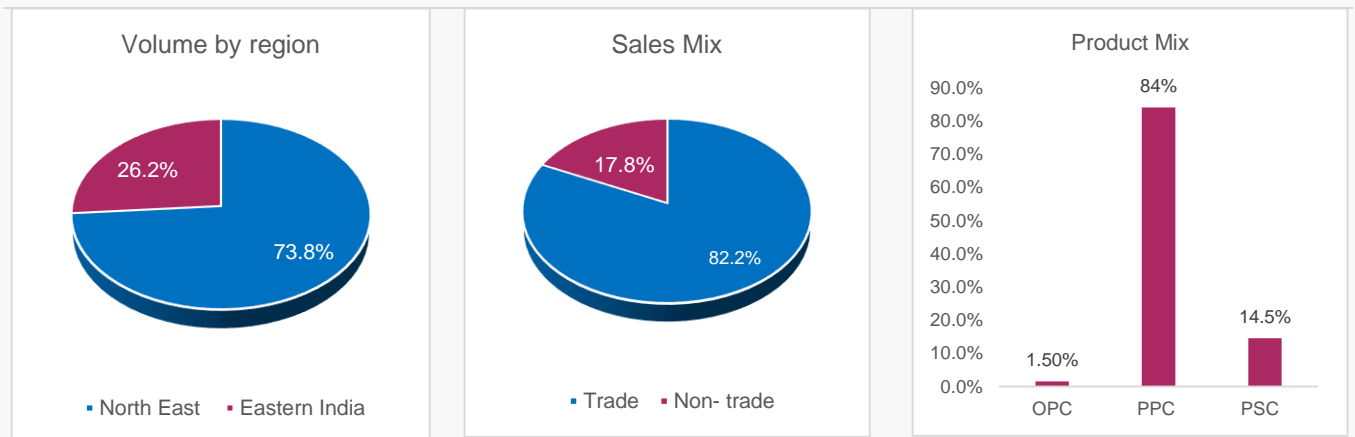
- SCL is the largest cement producer in North- East India with estimated market share of 23% in FY20. The North-East region contributes to 75% of total revenue with strong brand visibility which enables the company to enjoy premium pricing in the region. Since Eastern India has one of the lowest per capita consumption of cement in India, the sustainable increase in demand on the back of housing and infra activities augurs well for the company. The Company accounts for 39% of North-East India's active cement capacity
- SCL is one of the prominent producers of cement in the East and the most reputed brand in North-East India. Star Cement ventured out of North East in 2013 to Bihar, Jharkhand and West Bengal. Continuing with its success story, the Company has already made its mark in these States and is poised to become a distinguished player in Eastern India with the addition of new capacity . The company derives 25% of its total revenue from East market.Star Cement markets superior quality clinker to different grinding units in North East India and parts of Eastern India.
- The Company has launched its premium brand Star Anti Rust Cement. It is a special product developed as a result of several years of tireless research of the R&D Unit. Star Antirust cement imparts anti rust and anti-corrosive properties in the reinforcing bars hence increasing the durability and service life of the structure. At present premium cement contributes to 5% of trade sales which is expected to increase to 10%-12% in next 18 to 24 months time. The price difference between premium and ordinary cement is around Rs.25-Rs.30 per bag. Trade sales formed 82% of total sales in FY20 and product mix for the company in FY20 was PPC 84%, PSC 1.5% and OPC 14.5%.
- In a commodity business where the general assumption is that products by most companies are the same, Star Cement leveraged technology with the objective to market its brand better, deepen its dealer connect, reach the marketplace faster, enhance productivity visibly and harness opportunities.As a market leader in NER, the company has further consolidated dealers and sub dealer's network. Currently the company is associated with 2,100 dealers and 9,000 sub dealers. The Company has introduced a mobile application for dealers for payments, orders booking, printouts of invoices and ledgers. This initiative is helping dealers in timely submission of GST returns.
- With strong brand presence , more benign pricing environment and improve demand, we expect EBIDTA margins to grow from 20.6% in FY20A to 23.9% by FY23E. As a result, EBIDTA/tonne improves by 13% over the period FY20A-23E to Rs.1554/tonne.

Exhibit 16: Cement Brands



Source: Company, Axis Securities

Exhibit 17: Volume, Sales & Product Mix

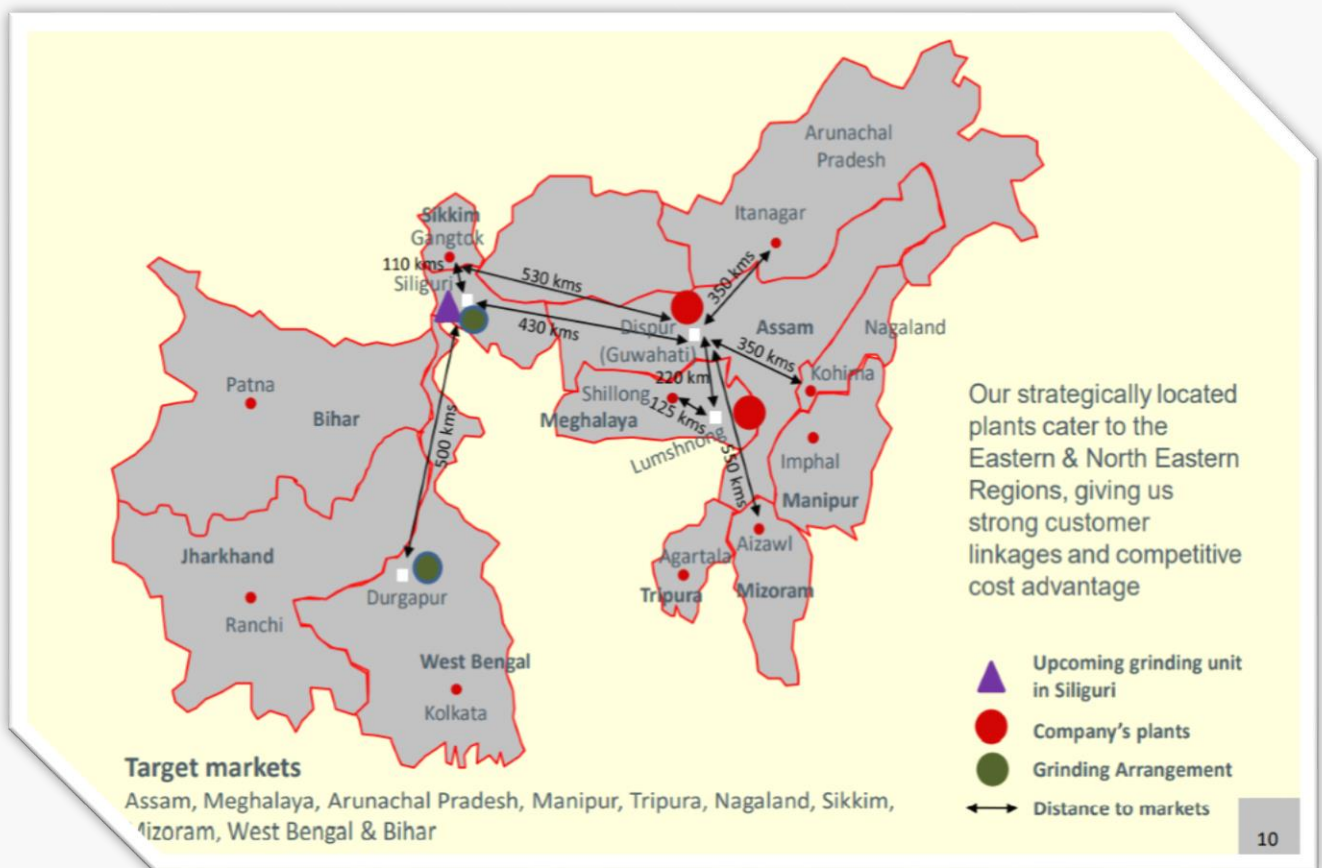


Source: Company, Axis Securities

Integrated nature of operation with efficient cement plants.

- SCL has over the period of time could built itself as one of the premier cement companies in North-East India owing to integrated nature of operation and proximity to raw material resources. SCL's integrated cement plant at Lumshnong (Meghalaya) is proximate to key sources of raw material, viz., limestone, coal and shale. The Company's grinding unit at Guwahati and other outsourcing units in Bengal enjoy a locational advantage of being near to the market. The company also has the captive power plant of 51MW which takes care of power supply to its various units of production. In FY20 the company sourced its coal requirement domestically (47%), imports (30%) and PET coke (23%).
- The Company completed the construction of a railway siding at its cement plant in Guwahati, which made it possible to save handling costs and related losses as opposed to the earlier scenario when the railway siding was 4 kms away. The Rs.36 Crore investment in the construction of the railway siding is expected to generate a payback in 3-5 years, strengthening logistical competitiveness. The utility of the railway siding will increase when the company's Siliguri grinding unit is commissioned, making it convenient to deliver clinker. We believe that the railway siding unit represents a platform that will generate multi-year benefits into the long-term.
- The Company commenced the practice of delivering cement directly to dealers as against the erstwhile practice of routing it through depots. This re-direction made it possible for the Company to save logistical costs and respond with speed to the needs of trade partners. The current lead distance of the company is between 280-290 kms.
- With the proposed set up of new clinkerization unit (2mntpa) and 15 MW West Heat Recovery System plant (WHRS) further improvement in operating efficiency will lead to better margins going forward.

Exhibit 18: Locational Advantage

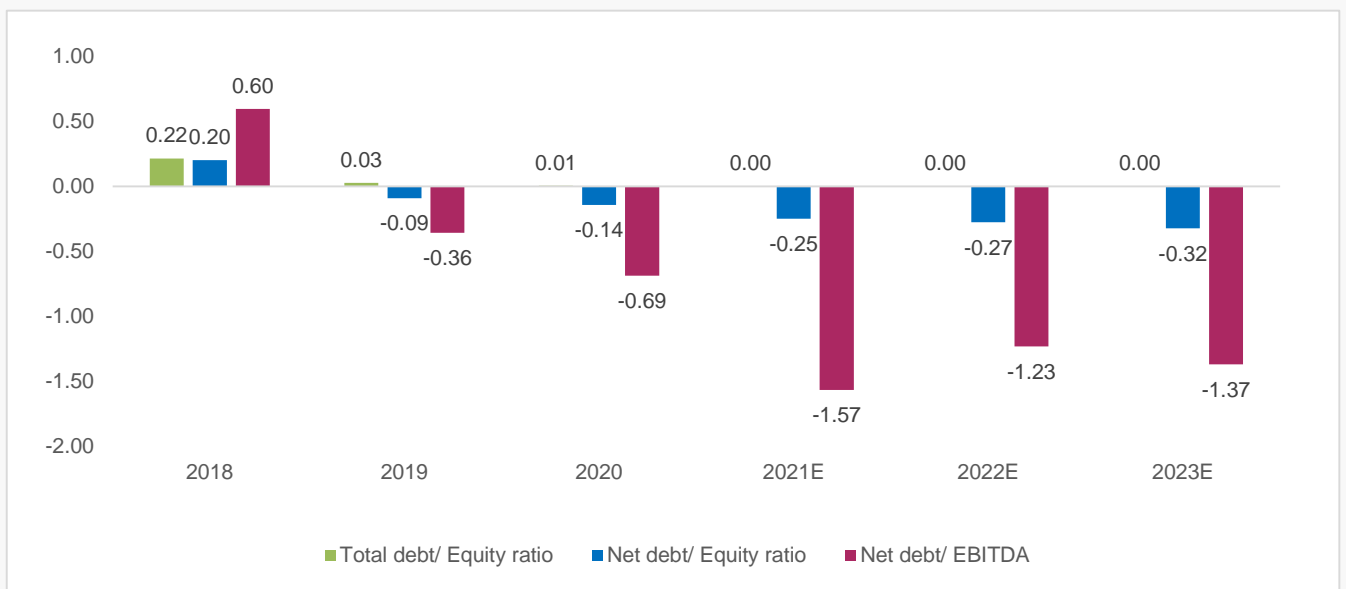


Source: Company Axis Securities

Healthy Financials to support future growth.

- A cement company that can grow its operations with the least capital is inevitably the one that is most successful. The debt-free nature of the Company with a corresponding manufacturing capacity of 4.3 million tonnes per annum makes the Company one of a kind in the country's cash-intensive cement sector.
- The Company exhibits a healthy financial position with nearly debt free status, high interest coverage ratio and strong return ratios . The capex for the ongoing capacity expansion has been met out of the internal accruals of the company. Further the company has sufficient liquidity to meet any incremental capex going forward.
- Besides, net worth of Rs.1815 crores in FY20 on the other hand provides the Company with extensive borrowing room should it select to grow its business through debt. We believe that capital structure of the company will remain healthy from medium to long term perspective.

Exhibit 19: Leverage Ratio



Source: Company, Axis Securities

Management Profile

Key Management Personnel	Experience
Mr. Sajjan Bhajanka <i>Chairman & MD</i> <i>Commerce Graduate</i>	He is a Commerce Graduate from Dibrugarh University, Assam. He has business and industrial experience of more than 40 years in the fields of Plywood, Ferro Silicon, Granite, export and import. He is a promoter Director and also the Chairman of Star Cement Limited.
Mr. Sanjay Agarwal <i>Managing Director</i> <i>Commerce Graduate</i>	He is a Commerce Graduate from Calcutta University. He has business and industrial experience of about 31 years. He is also a promoter Director of Star Cement Limited.
Mr. Pankaj Kejriwal <i>Director</i> <i>Chemical Engineer</i>	He is a Chemical Engineer by profession from (UDCT, Mumbai) which is a renowned institution of India. In 2002, he joined M/s Star Cement Limited as an Executive Director and played a major role in conceptualizing, erection and commissioning of the plant in a record time of 18 months. He has made a significant contribution to the company in achieving higher outputs and making it the largest manufacturer of cement in the entire North East.
Mr. Sanjay Kumar Gupta <i>CEO, FCA</i>	FCA with varied experience of over 28 years with 23 years in the cement industry. Prior to his current role he was the Chief Financial Officer of CMCL and had been instrumental in project financing, external borrowing, capital incentives realization. Responsible for overall growth & profitability of the company and meeting company's operating & financial goals
Mr. Manoj Agarwal <i>CFO, FCA</i>	He is FCA with varied experience of over 27 years including 12 years in the Cement industry. Responsible for F&A, Taxation, Statutory Compliance & Vendor Management.

Source: Company, Axis Securities

Company Overview

Incorporated in 2001, Star Cement Limited is the largest cement manufacturer in North-eastern India on the back of strategically located plants, easy availability of raw materials and superior brand recall. The company plant is spread across 200 hectares of land in the idyllic town of Lumshnong, a strategic location at Meghalaya that ensures easy availability of high-grade limestone. The Company's distribution network is spread across 10 states in Eastern India. While its peers adopted the wholesaler driven model, the Company invested in a strong retail network comprising more than 2,100 dealers and 9,000 retailers.

Product & Brand Portfolio

Star Cement's product range includes Ordinary Portland Cement (OPC 43-Grade) and (OPC 53-Grade) and Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC) and Anti Rust Cement (ARC) in line with evolving customer needs. The brand "Star Cement" has established itself as the most accredited brand of the region on grounds of both quality and fair pricing. The Company's commitment towards producing superior quality product has helped roped in prominent institutional customers like L&T, NHPC, Public Works Departments, Indian Railways and the Ministry of Defense, among others.

Manufacturing

The Company along with its subsidiaries has four manufacturing units in Meghalaya, one in Assam and two outsourced units in West Bengal with a cumulative clinker capacity of 2.80 Mn tonnes per annum (MTPA), cement manufacturing capacity of 4.3 MTPA and power generation at 51 MW. Star Cement's integrated cement plant at Lumshnong (Meghalaya) is spread across 200 hectares with proximity to key raw materials like limestone. The Company's grinding unit at Guwahati and other outsourcing units in Bengal enjoy a locational advantage in being proximate to downstream consuming markets.

Cement Plant

- ✓ Lumshnong (Meghalaya)- 1.60 mntpa (Grinding + Clinker unit)
- ✓ Sonapur, Guwahati (Assam)- 2.00 mntpa (Grinding Unit)
- ✓ Hired Units (West Bengal)- 0.70 mntpa (Grinding Unit)

Valuations and Outlook

We initiate coverage on Star Cement Limited with BUY recommendation and Target Price of Rs.115/share implies an upside of 26% as we value the stock at 7x FY22E EV/Ebitda. The company reported decent Q2FY21 results with both revenue and volume growing at 5% and 5.8% respectively. While FY21 overall will be impacted due to COVID-19 and related volume loss, the outlook for the company in FY22E/FY23E is robust as various projects related to infra and housing will gain more momentum on the back of higher spending by the government in its key region of operation, further new capacity addition in East will ensure higher volume growth for the company going forward. We expect the company to report Revenue/Ebitda/APAT CAGR of 16%/20%/16% respectively between FY20-FY23E driven by volume CAGR of 15% and improvement in realization CAGR of 1% between FY21E-FY23E. Valuation is attractive at 5.5x FY22E EV/EBITDA. We value SCL at 7x FY22E EV/EBITDA to arrive at TP of Rs.115 as we see re-rating potential on the back of strong growth.

Exhibit 20: FWD PE BAND (x)

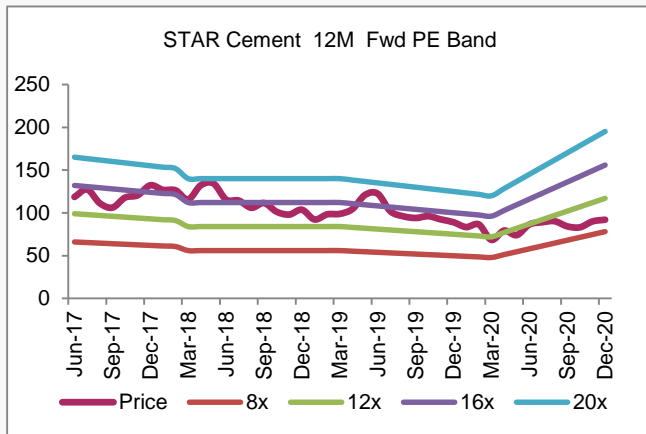
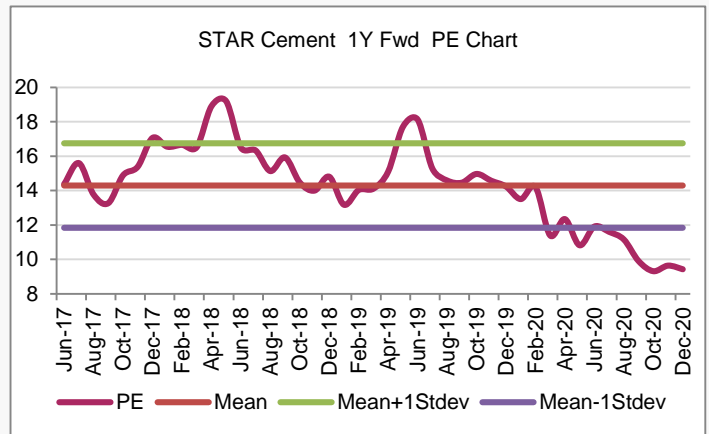


Exhibit 21: FWD PE CHART (x)



Source: Company, Axis Securities

Key Risk

Regional demand supply dynamics

The regional demand supply dynamics plays most important role in the performance of cement company as cement is regional play. Realization and profitability gets impacted by regional demand supply change. So any adverse change in regional dynamics may risk our earning estimate. Demand slowdown may lead to non absorption of the extended capacity.

Cyclicality of the cement industry

Cement industry is highly cyclical in nature and depends largely on the economic growth of the country. There is a high degree of correlation between the GDP growth and the growth in cement consumption. The contraction in economic growth also hampers cement industry. Since company enjoys strong presence in its key market of North- East and Eastern India with strong brand recall, the company is expected to restrict the slowdown.

Fluctuation in input prices

Fluctuation in prices of input such as coal, pet coke, limestone, fly ash and slags , power and fuel affects cost structure of cement company. SCL is also exposed to such fluctuation in input prices and any large variation may impact the profitability of the company.

Industry Overview

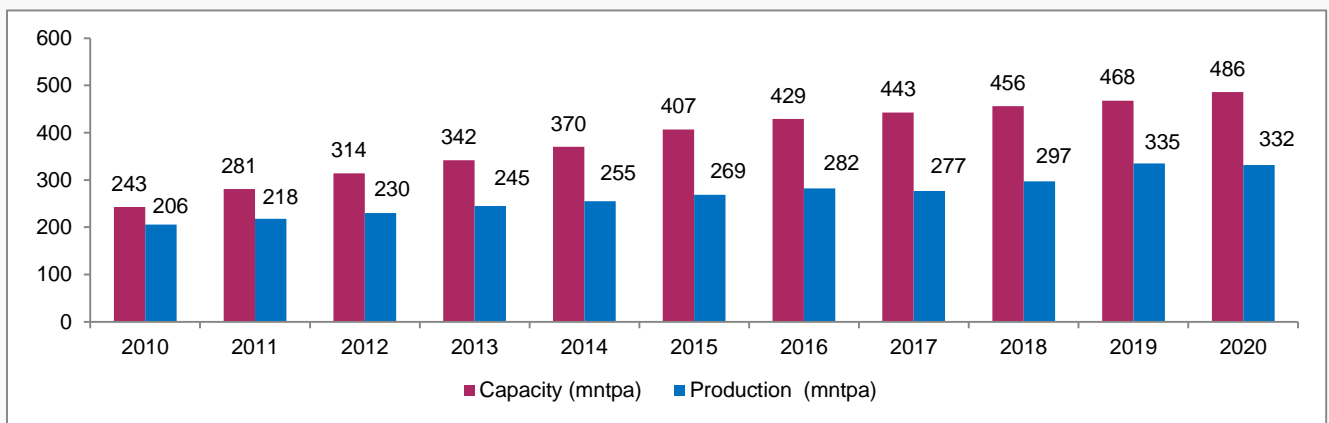
After China, India is the world's second largest cement producer and accounts for over 8% of the global installed capacity. The cement industry is one of the key drivers of the Indian economy and provides employment to over one million people. The housing or real estate sector accounts for almost 66% of cement consumption in India, while the rest is split between public infrastructure (22%) and industrial development (12%). The outlook for the cement industry continues to remain favorable with expected demand from the housing sector, primarily rural and affordable housing and improved Government focus on infrastructure segments, mainly roads, railway and irrigation projects.. The current capacity of cement industry is 500 mntpa and average capacity utilization remains between 65-70%. Like other commodity businesses, cement is a cyclical industry which is subject to peaks and troughs of growth every few years. During the peak phases, the demand growth reaches near double-digit levels, leading to sustained capacity utilisation at more than 90% and paving the way for fresh capacity addition. These periods of high growth are punctuated by the lean phases when demands tends to taper off causing capacity utilization to decline.

The industry plays a crucial role in the development of the housing and infrastructure sector of the economy. It has strong linkage to other sectors such as infrastructure, construction, housing, transportation, coal, power, steel etc. It plays pivotal role in implementing various government schemes like Housing for All, Smart Cities, Concrete Highways, Dedicated freight Corridors, Clean India Mission, Ultra Mega Power Projects, Waterways etc. India's cement demand is expected to reach 550-600 Million Tonnes per annum by 2025. Three most common cement types produced in India are OPC, PPC and PSC. Cement is one of the most technologically advanced industries in the country. The modern Indian cement plants are state-of-the-art plants and are comparable to the best in the world.

The cement industry comprises of 144 integrated large cement plants 107 grinding units, 62 mini cement plants and 5 clinkersation unit. Cement consumption in India is around 240 kg per capita against global average of 530 kg per capita, which shows significant potential for the growth of industry. The cement industry is highly cyclical in nature and its growth prospect is well tied up with the economic growth of the country. Important aspects to look into cement industry are a) Operating region demand supply dynamics b) Sources of raw material c) Power & Fuel d) Branding e) Capacity expansion f) Locational economics g) Product mix (OPC, PPC & PSC) h) Management quality.

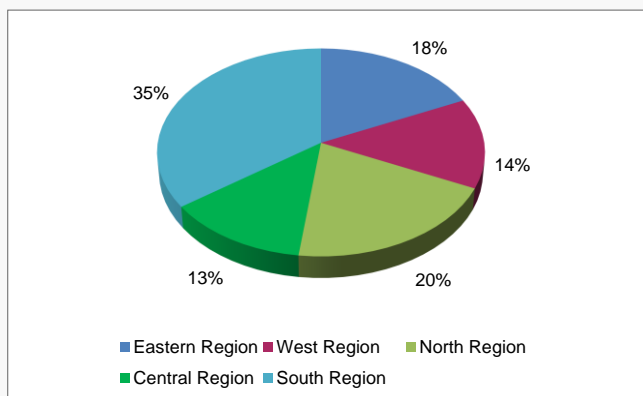
Challenges faced by cement industry in India are a) Excess capacity b) Availability of sands c) High logistic cost d) Availability of rake from railway e) Input Prices f) GST @28%.

Exhibit 22: Industry capacity and production



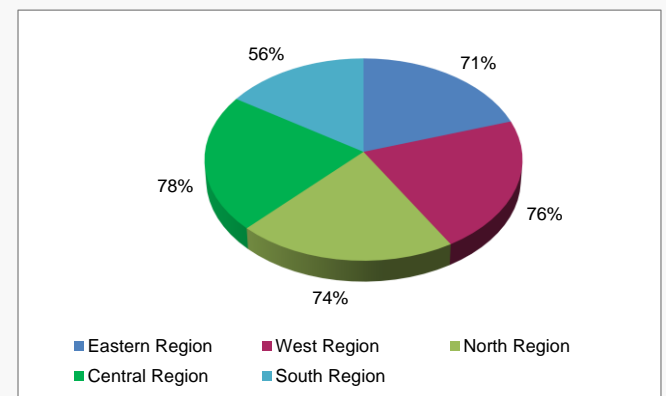
Source: Company, Axis Securities

Exhibit 23: Cement production capacity region wise



Source: CMAI, Axis Securities

Exhibit 24: Cement capacity utilization region wise



Financials

Profit & Loss

(Rs mn)

Y/E March	FY20A	FY21E	FY22E	FY23E
Net sales	18439	16454	24474	28695
Other operating income	0	0	0	0
Total income	18439	16454	24474	28695
Raw Material	4019	3905	5740	6716
Power & Fuel	3619	3034	4490	5209
Freight & Forwarding	3530	3130	4632	5465
Employee benefit expenses	1266	1231	1477	1625
Other Expenses	2054	1767	2528	2826
EBITDA	3951	3387	5607	6854
Other income	287	285	423	577
PBIDT	4238	3671	6030	7430
Depreciation	930	928	1334	1423
Interest & Fin Chg.	93	69	60	50
E/o income / (Expense)	0	0	0	0
Pre-tax profit	3215	2675	4636	5957
Tax provision	342	285	493	1489
RPAT	2873	2390	4142	4468
Minority Interests	-18	-35	-35	-35
Associates	0	0	0	0
APAT after EO item	2855	2355	4107	4433

Source: Company, Axis Securities

Balance Sheet

(Rs mn)

Y/E March	FY20A	FY21E	FY22E	FY23E
Total assets	23582	25574	29718	34001
Net Block	9337	9066	9934	10807
CWIP	2375	375	175	175
Investments	0	0	0	0
Wkg. cap. (excl cash)	2833	2544	3767	4412
Cash / Bank balance	2820	5330	6915	9406
Misc. Assets	6216	8259	8927	9201
Capital employed	23582	25574	29718	34001
Equity capital	412	412	412	412
Reserves	18159	20137	23867	27923
Minority Interests	701	701	701	701
Borrowings	111	25	20	20
Def tax Liabilities	0	0	0	0
Other Liabilities and Provision	4199	4300	4718	4945

Source: Company, Axis Securities

Cash Flow
(Rs mn)

Y/E March	FY20A	FY21E	FY22E	FY23E
Profit before tax	3215	2675	4636	5957
Depreciation	915	928	1334	1423
Interest Expenses	93	69	60	50
Non-operating/ EO item	-271	-268	-347	-472
Change in W/C	1382	350	-1270	-692
Income Tax	-505	-285	-493	-1489
Operating Cash Flow	4830	3469	3919	4778
Capital Expenditure	-2271	-2659	-2403	-2296
Investments	0	0	0	0
Others	915	-1824	-1704	-1866
Investing Cash Flow	-1355	-4482	-4107	-4161
Borrowings	-402	-87	-5	0
Interest Expenses	-96	-69	-60	-50
Dividend paid	-497	-412	-412	-412
Others	-1017	0	0	0
Financing Cash Flow	-2013	-567	-477	-462
Change in Cash	1461	-1581	-664	154
Opening Cash	949	2411	830	165
Closing Cash	2411	830	165	320

Source: Company, Axis Securities

Ratio Analysis

(%)

Y/E March	FY20A	FY21E	FY22E	FY23E
Operational Ratios				
Sales growth	1%	-11%	49%	17%
OPM	21.4%	20.6%	22.9%	23.9%
Op. profit growth	-12%	-14%	66%	22%
COGS / Net sales	61%	61%	61%	61%
Overheads/Net sales	18%	18%	16%	16%
Depreciation / G. block	8%	7%	8%	8%
Efficiency Ratios				
Total Asset turnover (x)	0.78	0.64	0.82	0.84
Sales/Gross block (x)	1.59	1.15	1.47	1.51
Sales/Net block(x)	1.98	1.82	2.47	2.66
Working capital/Sales (x)	0.26	0.27	0.23	0.22
Valuation Ratios				
P/BV (x)	1.46	1.31	1.12	0.96
EV/Ebitda (x)	6.43	9.63	5.53	4.16
EV/Sales (x)	1.38	1.98	1.27	0.99
EV/Tonne \$ (x)	80	70	67	61
Return Ratios				
ROE	15	12	18	16
ROCE	17	13	19	21
ROIC	18	17	27	32
Leverage Ratios				
Debt / equity (x)	0.01	0.00	0.00	0.00
Net debt/ Equity (x)	-0.14	-0.25	-0.27	-0.32
Interest Coverage ratio (x)	35	40	78	120
Cash Flow Ratios				
OCF/Sales	0.26	0.21	0.16	0.17
OCF/Ebitda	1.22	1.02	0.70	0.70
OCF/Capital Employed	0.24	0.15	0.15	0.16
FCF/Sales	0.14	0.17	0.07	0.09
Payout ratio (Div/NP)				
AEPS (Rs.)	6.9	5.7	10.0	10.7
AEPS Growth	-2.9	-17.5	74.4	7.9
CEPS (Rs.)	9	8	13	14
DPS (Rs.)	1	1	1	1

Source: Company, Axis Securities

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