

Equity Research Report

ORIENT CEMENT

Ambuja ne Orient Cement me 37.8% hissa kharid liya hai.

About The Company

Company ka main kaam cement banana aur bechna hai. Filhaal iske manufacturing plants Devapur (Telangana), Jalgaon (Maharashtra) aur Chittapur (Karnataka) mein located hain. 2025 mein ek Fly-ash rake handling system bhi operational ho gaya. Saath hi, FY25 mein ek 3.7 MW ka solar power project (captive scheme ke under) bhi commission hua, jo Jalgaon grinding unit ko green power supply karta hai.

1979 mein establish hui Orient Cement, pehle Orient Paper & Industries ka ek hissa thi. Ye company 2012 mein tab bani jab Orient Paper & Industries Ltd ke cement business ka demerger karke ise alag company ke roop mein form kiya gaya.

Company do tarah ke cement banati hai – Pozzolana Portland Cement (PPC) aur Ordinary Portland Cement (OPC). Ye sab Birla A1 brand name ke under market kiya jaata hai – jaise Birla A1 Premium Cement, OPC 53 Grade, OPC 43 Grade, aur Birla A1 StrongCrete. **Ambuja Cements, jo ki Adani Group ki flagship cement company hai, usne Orient Cement ka 37.8% hissa (stake) officially acquire kar liya hai.** Iska matlab ye hua ki ab Orient Cement officially Ambuja Cements ka part ban chuki hai.

Highlights

- Company ka capacity utilization lagbhag 66% raha hai, jo pichhle saal ke mukable 5% ka improvement hai.
- Company ka focus fuel flexibility par hai, aur alternate fuels ka use badhane se fuel ke bhari cost increase ka impact kaafi had tak manage (cushion) kiya ja saka.
- Company ke paas ek high-quality limestone mining lease hai Chittorgarh mein, jisse North India mein 6 MTPA tak extra cement capacity add karne ka mauka mil sakta hai – jo ki ek strategic market hai. Is acquisition ke baad Adani Cement ka pan-India market share 2% tak badhne ka expectation hai.
- Jaisa ki cement demand GDP growth ke directly proportional hoti hai, isliye cement sector ka growth **FY 2025-26 mein lagbhag 6.5%** hone ka estimate lagaya gaya hai.

Future Demand Projections:

- FY 2024-25 mein housing aur infrastructure sector ke demand ki wajah se cement ka annual volume growth 4–5% hone ka estimate hai
- Volume: 440–445 million metric tonnes (MT)
- FY 2025-26 mein ye demand aur badhne ka projection hai –
- 6–7% annual growth, jisse volume 475–480 million MT tak pahunch sakta hai

Long-Term Outlook:

- Installed capacity expected hai ki:
- 2030 tak 850 million tonnes per annum (MTPA) ho jaayegi
- Aur 2050 tak ye capacity 1,350 MTPA tak pahunch sakti hai



Recommendation	:XXX
CMP	:INR 250
Target Price	:XXX

Compounded Sales Growth	
10 Years	:6%
5 Years	:2%
3 Years	:0%

Compounded Profit Growth	
10 Years	:-7%
5 Years	:1%
3 Years	:-30%

Stock Price CAGR	
10 Years	:3%
5 Years	:31%
3 Years	:30%
1 Years	:-25%

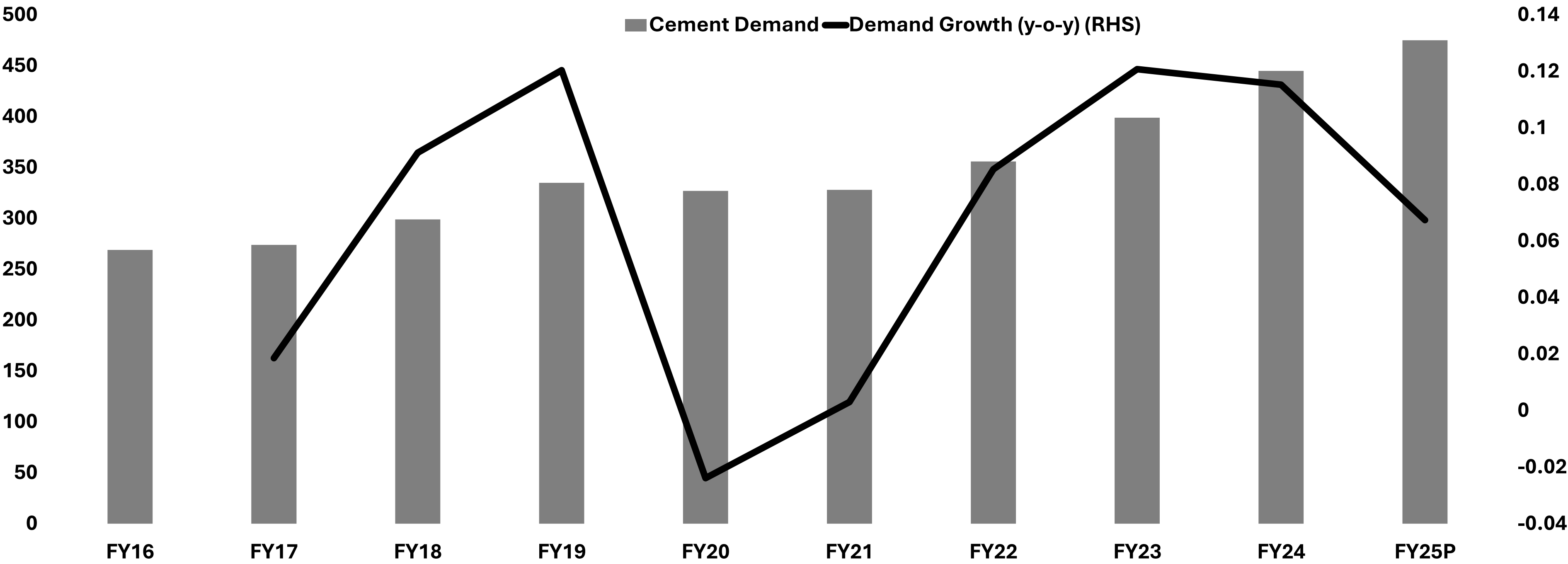
Return On Equity	
10 Years	:8%
5 Years	:11%
3 Years	:8%

Absolute Returns	
10 Years	:33.77%
5 Years	:264.02%
3 Years	:105.34%
1 Year	:-27.37%

Particular	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25P
Cement Demand	269	274	299	335	327	328	356	399	445	475
Demand Growth (y-o-y) (RHS)		1.86%	9.12%	12.04%	-2.39%	0.31%	8.54%	12.08%	11.53%	6.74%

CEMENT DEMAND TREND

(mn tonnes)



Source : Industry, CRISIL MI&A Research

ORIENT CEMENT



Particular	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Revenue	1,437	1,545	1,462	1,875	2,222	2,522	2,422	2,324	2,725	2,938	3,185	2,709
Growth%YoY		7.52%	-5.37%	28.25%	18.51%	13.50%	-3.97%	-4.05%	17.25%	7.82%	8.41%	-14.95%
Expenses	1,222	1,239	1,277	1,696	1,916	2,210	2,039	1,773	2,134	2,573	2,736	2,407
Growth%YoY		1.39%	3.07%	32.81%	12.97%	15.34%	-7.74%	-13.05%	20.36%	20.57%	6.34%	-12.02%
Material Cost % +	16%	12%	14%	15%	12%	10%	13%	14%	13%	13%	14%	16%
Manufacturing Cost %	33%	33%	35%	35%	33%	32%	31%	25%	29%	64%	60%	60%
Employee Cost %	4%	5%	6%	6%	6%	6%	6%	7%	6%	6%	6%	8%
Other Cost %	32%	31%	32%	34%	36%	39%	33%	30%	30%	5%	5%	5%
Operating Profit	215	306	185	179	306	312	383	551	591	365	449	302
Growth%YoY		42.33%	-39.54%	-3.24%	70.95%	1.96%	22.76%	43.86%	7.26%	-38.24%	23.01%	-32.74%
Margins%	14.96%	19.81%	12.65%	9.55%	13.77%	12.37%	15.81%	23.71%	21.69%	12.42%	14.10%	11.15%
Interest	14	14	54	135	129	118	122	94	51	38	34	23
Growth%YoY		0.00%	285.71%	150.00%	-4.44%	-8.53%	3.39%	-22.95%	-45.74%	-25.49%	-10.53%	-32.35%
Depreciation	56	47	78	122	126	133	141	142	145	147	149	153
Growth%YoY		-16.07%	65.96%	56.41%	3.28%	5.56%	6.02%	0.71%	2.11%	1.38%	1.36%	2.68%
Net Profit	101	195	62	-32	44	48	87	214	263	123	175	91
Growth%YoY		93.07%	-68.21%	-151.61%	-237.50%	9.09%	81.25%	145.98%	22.90%	-53.23%	42.28%	-0.48%
Reserves	808	955	1,020	967	1,002	1,033	1,098	1,285	1,505	1,583	1,723	1,787
Growth%YoY		18.19%	6.81%	-5.20%	3.62%	3.09%	6.29%	17.03%	17.12%	5.18%	8.84%	3.71%
Borrowings	329	1,106	1,285	1,336	1,314	1,290	1,226	798	316	398	170	70
Growth%YoY		236.17%	16.18%	3.97%	-1.65%	-1.83%	-4.96%	-34.91%	-60.40%	25.95%	-57.29%	-58.82%
Long term Borrowings	45.31	1,064.14	1,239.28	1,188.49	1,138.48	1,226.24	1,135.39	783.84	148	98.16	70.52	32.52
Growth%YoY		2248.58%	16.46%	-4.10%	-4.21%	7.71%	-7.41%	-30.96%	-81.12%	-33.68%	-28.16%	-53.89%
Short term Borrowings	282.35	40.41	45.68	98.65	124.36	4.54	0.26	12.8	161.66	293.29	59.02	0
Growth%YoY		-85.69%	13.04%	115.96%	26.06%	-96.35%	-94.27%	4823.08%	1162.97%	81.42%	-79.88%	-1%
Trade Payables	86	110	194	201	200	186	176	184	231	215	229	228
Growth%YoY		27.91%	76.36%	3.61%	-0.50%	-7.00%	-5.38%	4.55%	25.54%	-6.93%	6.51%	-0.44%
Fixed Assets	826	798	2,207	2,296	2,251	2,355	2,272	2,207	2,115	2,010	2,021	1,990
Growth%YoY		-3.39%	176.57%	4.03%	-1.96%	4.62%	-3.52%	-2.86%	-4.17%	-4.96%	0.55%	-1.53%
Trade receivables	65	82	92	106	153	180	162	110	127	169	224	248
Growth%YoY		26.15%	12.20%	15.22%	44.34%	17.65%	-10.00%	-32.10%	15.45%	33.07%	32.54%	10.71%



COMMENTARY

India duniya ki second-largest cement producer hai. Global installed capacity ka 8% se zyada hissa India ke paas hai. Infrastructure aur construction sector me development ke kaafi scope hai, jisse cement sector ko faayda milega. Rural areas me housing demand badhne ki wajah se bhi India me cement ki consumption steady tareeke se badh rahi hai.

Industrial sector ka bhi rapid expansion cement demand ko boost kar raha hai. Isliye cement industry ki long-term demand potential bahut strong hai. Government ke initiatives jaise ki 98 smart cities ka development is sector ko aur zyada boost denge.

Bade players apni market position strong kar rahe hain acquisitions aur capacity expansion ke through. Lekin FY 2024-25 me kuch challenges aaye jaise moderate capacity utilization, lower sales realization, margins ka contract hona, aur volume growth slow hona, jiski wajah se profitability aur topline pe impact pada.

Cement demand FY 2024-25 ke pehle half me 2% year-on-year grow hui, aur February 2025 tak ye 5% tak recover ho gayi. Infrastructure budget me allocation modest raha, lekin Pradhan Mantri Awas Yojana (PMAY) aur rural income boost karne wale initiatives ki wajah se housing demand badhne wali hai, jo cement sector ke liye positive hai.

Pandemic ke baad logon me apna ghar lene ki iccha badh gayi hai, jo urban aur rural dono areas me housing sector ko drive kar rahi hai. Housing sector India ke total cement demand ka lagbhag 65% hissa leta hai, isliye ye sector cement industry ke growth aur infrastructure development me sabse bada contributor hai. Housing sector ka ye growth aage bhi cement ki demand badhane me help karega aur India ke infrastructure development ko shape karega. Adani Cement ke paas reporting period ke dauraan 88.9 MTPA (Million Tonnes Per Annum) ki cement capacity thi. April 2025 mein Orient Cement ka acquisition successfully complete ho gaya, jisse unki capacity mein 8.5 MTPA ka addition hua.

Iske alawa: Farakka plant par 2.4 MTPA ki capacity expansion operational ho gayi, aur alag-alag plants mein de-bottlenecking ke through 0.5 MTPA ka extra capacity bhi add hua. In sab ko mila kar ab Adani Cement ki total cement manufacturing capacity badh kar 100.3 MTPA ho gayi hai.

DISCLAIMER

This research report has been prepared by the author solely for educational and informational purposes. It is not intended for public circulation, commercial use, or as a recommendation to buy, sell, or hold any securities. The information presented is based on publicly available sources that are considered reliable; however, no independent verification has been conducted, and no assurance is given regarding its accuracy, completeness, or reliability.

The views and opinions expressed are those of the author and do not represent any affiliated institution. The author is not a SEBI registered research analyst, and this report does not constitute investment advice or a solicitation to invest in any financial instrument. Readers are advised to conduct their own due diligence and consult a licensed financial advisor before making any investment decisions.

Any securities mentioned may be subject to risks including market volatility, currency fluctuations, and economic conditions. The author may or may not hold positions in the securities discussed. The author does not accept any liability for financial losses arising directly or indirectly from the use of this report.

This document should not be distributed, published, or reproduced in any form without prior written consent of the author. Accessing this report implies your agreement to this disclaimer and the terms stated herein.