Emkay

Private Client Research

Initiating Coverage

9th November, 2006

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Stock details

BSE Code	532719
Bloomberg Code	KASH@IN
Market Cap (Rs bn)	13.3
Free Float (%)	29
52-wk Hi/Lo (Rs)	1592/749
Avg Daily Vol (BSE)	3194
Avg Daily Vol (NSE)	5084
Shares o/s (mn) FV Rs 10	10

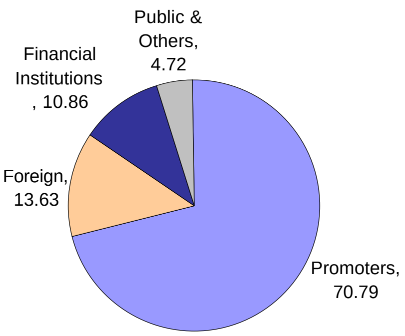
Source:Company Emkay Private Client Research

Summary table

Rs mn	FY06A	FY07E	FY08E
Sales	4655.2	8650.0	13200.0
Growth %	48.8%	85.8%	52.6%
EBITDA	475.7	977.5	1663.2
EBITDA margin %	10.2	11.3	12.6
Net Profit	281.7	572.5	1045.2
EPS (Rs)	27.4	55.7	101.8
CEPS (Rs)	31.6	65.5	113.4
ROE %	11.4	19.1	26.2
ROCE %	11.0	16.6	22.9
EV/Sales (x)	3.0	1.6	1.1
EV/EBITDA (x)	27.2	13.9	8.3
P/E (x)	48.5	23.9	13.1
P/CEPS (x)	42.1	20.3	11.7
P/BV (x)	5.5	4.6	3.4

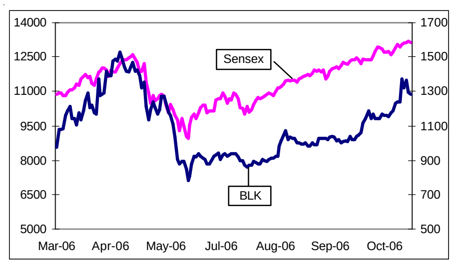
Source:Company Emkay Private Client Research

Shareholding pattern (30 June 06)



Source:Company Emkay Private Client Research

One-year performance (Rel to sensex)



Source: Capitaline

BL Kashyap & Sons Ltd.

RECOMMENDATION: BUY

Price: Rs. 1303 **Target Price: Rs. 1964**

B L Kashyap & Sons Ltd (BLKL) is a compelling growth story in the domestic construction space. BLKL enjoys a pan India presence wherein it has built a strong reputation as a quality construction player providing a one stop shop solution to its customers right from designing, project implementation and final construction of projects within strict time bound schedules. BLK core construction business continues to be its main stay which contributes around 60% to its revenues, followed by residential and industrial projects which together contribute 40% to the topline. With BLK enjoying a order book of Rs 11 bn as on Nov 2006, we expect revenue visibility to be strong over the next 18 months and estimate topline to grow at a CAGR of 69% over FY06-FY08E followed by net profits growing at a CAGR of 93% in the same period. We estimate ROCE and ROE at 17% and 19% for FY07E and 23% and 27% for FY08E respectively.

Investment Positives

Large Order Book Pipeline indicates strong revenue visibility – BLKL's service portfolio extends across various business verticals like construction of factories and manufacturing facilities, IT campuses, commercial and residential complexes, malls and multiplexes , corporate offices, hospitals and hotels. As on November 2006, BLKL has a order book of Rs 11 bn which is executable over the next 18 months. More importantly it is creditable to note that BLKL has recorded a 50% CAGR in order book growth in the last 3 years starting FY05 onwards. Core construction activities account for a bulk of BLKL's business which contribute around 60% while the balance comes from industrial and residential projects. In Residential projects BLKL is more keen on large projects of roughly 2-3 lac lac sq feet.

Some of the recent large order wins procured by BLKL have been from Hero Honda Motors, Tech Mahindra and Maruti Udyog Limited. With significant pickup expected in new incremental orders from new clients coupled with the existing order backlog, we believe that revenue growth for BLKL is expected to remain strong over the next 18 months.

Subsidiaries to be EPS accretive from FY07E onwards – BLKL has two 100% subsidiaries which include BLK Furnishers Ltd and Soul Space Projects. BLK Furnishers is engaged in the business of furnishing and interiors wherein BLKL has invested Rs 130 mn and which will record a topline of Rs 1100 mn in FY08E. Soul Space Ltd is executing two projects presently, at Bikaner and Pune. While the Pune project is at the design finalisation stage, the Bikaner project is likely to start contributing to the consolidated revenues from FY07E onwards. This real estate venture will be contributing Rs 600-650 mn in FY07E from the Bikaner project and will form 15-20% of turnover from FY08E onwards totaling Rs 2600 mn.

We hence estimate that on a consolidated basis, net revenues for BLKL would total Rs 8650 bn and Rs 13200 bn in FY07E and FY08E – showing a CAGR of 69% in the next 2 years (FY06-FY08E) with EBIDTA growing at a CAGR of 87% from Rs 476bn in FY06A to Rs 977 mn in FY07E and Rs 1633 in FY08E followed by a 93% CAGR in post tax profits between FY06-FY08E. We expect BLKL's net earnings per share to increase from Rs 27.4 in FY06A to Rs 56 in FY07E and Rs 102 in FY08Ewith cash earnings per share (CEPS) improving to Rs 66 in FY07E and Rs 144 in FY08E from Rs 32 in FY06A 90% showing a CAGR of 90%

EBIDTA margins to improve over the next 12-18 months – BLKL has declared a strong set of results for H1FY07. Revenues for H1FY07 is Rs 3270 mn . EBITDA margins in H1FY07 have remained stable at 11.4% despite cement prices holding firm. Order accretion has remained strong with Rs 2bn worth of orders flowing in the current quarter. BLKL's order backlog at Q2FY07end stood at Rs 11bn. For the H2FY07E, the management is confident that it will increase topline by around 140% from H1FY07 level with commensurate increase in operating and net profitability.

Moreover BLKL's real estate and furnishing subsidiaries will also operate partially in FY07E and fully in FY08E earning on a average 9-10% post tax profit margins thus helping consolidated net margins to improve to 6.6% in FY07E and 7.9% in FY08E from the existing net margin level of 6.1% recorded in FY06A.

Risks & Concerns –

Any significant downturn in the construction sector and non materialization of new orders in the business segment wherein the company operates could impact BLKL's earnings negatively.

Valuations look attractive from a medium to long term perspective – With an EPS CAGR growth of 93% estimated over FY06-08E, coming on the back of a 69% CAGR in the topline, and attractive ROE and ROCE levels of 27% & 23% as on FY08E, and a EV/EBIDTA of 13x FY07E and 8x FY08E makes us believe that the stock is a good long term investment. We recommend a BUY on the stock with a target price of Rs 1964 in the next 12 months based on the DCF approach. On a EV/EBITA basis the stock will trade a target EV/EBITA multiple of 12x based on FY08E.

Business Background

A Delhi based construction company with Pan India Presence.

BL Kashyap, a Delhi-based company, belongs to the Kashyap family which has been in construction space since 1978. Today, BLK is one of India's most respected construction and infra- structure development companies with a pan India presence.

Present in diversified segments of construction space.

In private construction, it is present in various segments such as industrial, residential, office/commercial space, educational, medical, IT/ITES, hospitals & hospitality etc. It is engaged in business of offering a diversified range of construction and allied services to various corporates within the country. Its present activities involve construction services including turnkey projects that comprises civil construction, electrical, plumbing fire fighting, air conditioning and other works

It has dealt with strong brand like Microsoft,Maruti etc.

The company has dealt with several strong brand name in the corporate world such as Microsoft, Adobe Systems, Maruti, Hero Honda, Oberoi Hotels, Escorts and many more. The company in past has always got repeated orders from its corporate clients.

Operational Highlights

H1FY07 sales increased by62% to Rs3345.5 mn.

PAt increased by 56% to Rs 210 mn

Rs Mn

Period Ended	Q1FY07	Q2FY07	H1FY07	H1FY06	YoY%
Net Sales	1638.8	1706.8	3345.5	2068.7	61.7
Other Income	8.6	15.5	24.1	20.5	17.6
Total Expenditure	1461.3	1524.8	2986.2	533.6	459.6
EBIDTA	186.0	197.5	383.5	241.8	58.6
Operating Margin	11.3	11.6	11.5	11.7	-1.9
Interest	7.3	11.8	19.1	20.3	-6.0
Depreciation	22.8	23.8	46.7	16.8	178.4
PBT	155.9	161.8	317.7	204.7	55.2
Tax	52.1	55.5	107.6	69.8	54.1
Extraordinary Tax	0.0	0.0	0.0	0.0	
Profit After Tax	103.8	106.3	210.1	134.9	55.7
Equity Capital(FV Rs 10)	102.7	102.7	102.7	102.7	0.0
EPS(Rs)	10.1	10.4	20.5	13.1	55.7

Source : Company

H1FY07 result of BLK is impressive despite Q2FY07 traditionally being a lean period.

BLK's performance in the first half of FY07 has been impressive despite Q2FY07 traditionally being a lean quarter.Net sales of the company in H1FY07 increased by 62% to Rs 3345.5 mn against 2068 mn in H1FY06.The operating margin in H1FY07 decreased by 20 bps to 11.5% which we expect to be better in second half of FY07 where its subsidiaries will also be contributing slightly better operating margin then its core business.

The PAT of the company increased by 56% to Rs 210mn in H1FY07 against 135 mn in H1FY06.The net margin of company in H1FY07 is 6.3 % against 6.5% in H1FY06.The marginal fall in net margin is due to depreciation cost which increased by 178% to Rs 46.7 mn on account of capitalization of Rs 300 mn capital equipments in H1FY07.

Business Review:

BLK play an important role in commercial industrial and housing activity.

The company is an important play in the construction space. BLK is not an typical infrastructure construction company. Its construction business offers an important play on the commercial, industrial and housing activity.

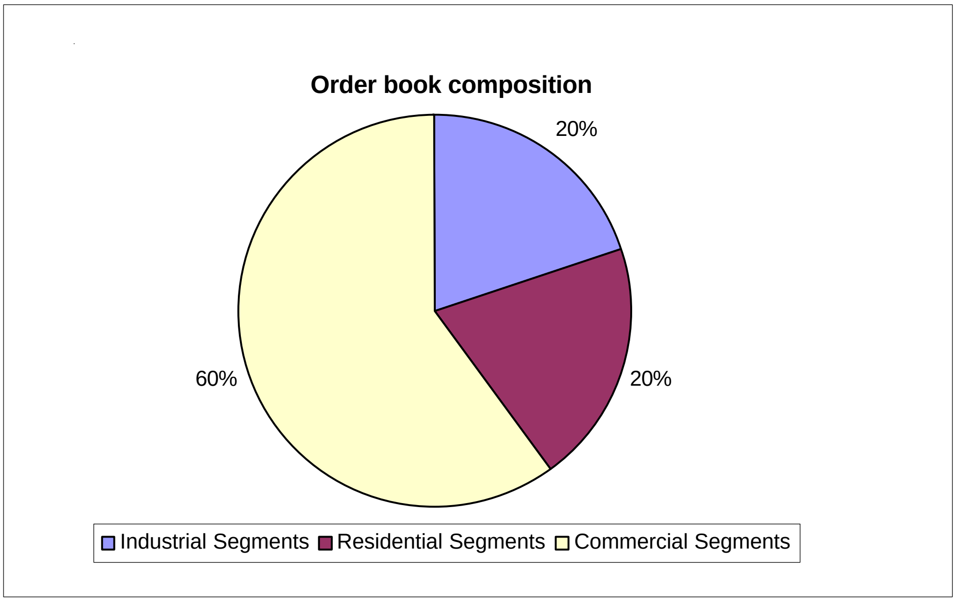
Commercial projects accounts for 60% order backlog of the company.

Commercial : Demand for commercial space is increasing, led by IT/ ITES, BPO, Retail, Manufacturing etc. The company has strategy to build a wide variety of structures which have unique design and structural specialties. Retail, Entertainment, Hospitals & hospitality, malls, multiplex offers huge potential for construction in the commercial segment of the company. Commercial projects accounts for 60% order backlog of the company.

Industrial and housing activity forms equal contribution in order backlog.

Industrial: Civil construction accounts for 15% of the total project cost. With all the companies going in expansion phase so projects worth billions of rupees are lined up across industries. Specifically for BLK,,it has always got repeated orders from clients like Maruti, Hero Honda etc

Residential: An estimated investment of Rs 16000 bn is required to address the housing shortages in the urban and rural segments.The key drivers of housing demand are increasing disposable income,nuclear families and government policy encouraging residential ownership.



Huge opportunity is there in becoming pure play of infrastructure.

BLKashyap is not a typical infrastructure construction company. The company is only present in construction of Commercial, Industrial and residential projects. The company is yet to make its presence in Roads, Railwasys, Bridges, Airport, water related projects. So lot of scope is there for company to spread its wings.

Particulars	Infrastructure Company	BL Kashyap
Project Nature	Roads,Irrigation,Railway,Airport	Commercial, Industrial and Corporate Residential
Project Duration	Over 24-36 months	Shorter duration with 4-18 month time frame
Litigation	Higher probability	Low Probability
Customers	NHAI, & Other Govt bodies	Private Companies
Financial issues	High working capital to sales, high debt equity ratio	Low working capital to sales, D/E relatively lower

Investment Positves

BLK is witnessing traction in all the vertical segments and geographies.

Large order book with Faster execution

BLK is witnessing traction in all the vertical segments and geographies. Its service portfolio extends across various business verticals like construction of factories, manufacturing facilities, IT campuses, commercial and residential complexs, malls, multiplexes corporate offices etc. BLK is present in Northen and Southern India and very recently spread its wings in Western India. BLK has an order book of Rs 11 bn as on Nov 2006 which is fully executable in period between 4 to 18 months.

Timely execution is a key factor for BL Kashyap.

Timely execution is a key factor for BL Kashyap. In past performance we have seen that average completion ratio of its order book has always been in the range of 89-75%, which has helped BLK to get repeated orders from clients. BLK has always taken order of average execution period of 7-8 months, which has resulted in better cash flow management and capacity of taking more orders.

The Rs 11 bn order constitute 20% from the residential projects wherin the execution period is 18 months wheras the remaining projects have an execution period of 6-8 months.Huge order book and faster execution of project place BLK as a low risk high growth ticker.

BLKL has two 100% subsidiaries which include BLK Furnishers Ltd and Soul Space Projects

BLK Furnishers is engaged in the business of furnishing and interiors.

Subsidiaries to be EPS accretive from FY07E onwards:

BLKL has two 100% subsidiaries which include BLK Furnishers Ltd and Soul Space Projects. BLK Furnishers is engaged in the business of furnishing and interiors. The strategy of forming the subsidiary is to capture huge growth in residential construction which will require new furnishing and interiors. This is a win- win situation for both the company and client as it saves time of the client and company can increase its revenue and bottomline by adding one more product to its basket and become a complete housing solution company. BLKL has invested Rs 130 mn in BLK furnishers (expected to commence in Jan'07) which is expected to show revenue of Rs 1100 mn in FY08E.

Soul Space Projects which will address to the huge opportunity in housing.

It has also created another 100% subsidiary, Soul Space Projects which will address to the huge opportunity in housing. This subsidiary will not purchase any land which thus saves it from fluctuation in land prices. Most of the construction activity would be carried out by the parent and soul space projects will market these properties. Soul Space Ltd is executing two projects presently, at Bikaner and Pune. While the Pune project is at the design finalisation stage, the Bikaner project is likely to start contributing to the consolidated revenues from FY07E onwards. This real estate venture will be contributing Rs 600-650 mn in FY07E from the Bikaner project and will form 15-20% of turnover from FY08E onwards totaling Rs 2600 mn.

BLK follows unique strategy of using owned equipments which helps it to improve margin.

Margins to improve from FY08E onwards:

BL Kashyap has also has a strategy of using owned equipment over leased equipment enabling faster resource mobilization and order execution. The company intends to save at least Rs 40-50 mn hiring charges. The company has capitalized Rs. 300 mn in H1FY07 and is expected to capitalize Rs 300 mn within 6 to 8 months. All the job is done by the parent company and no outsourcing.

SWOT profile for BLK

Strengths

- Owned Equipment
- Undertakes projects of Shorter duration
- Presence across diversified businesses
- High repeat orders

Weakness

- First time executing residential projects.

Opportunity

- Huge infrastructure opportunities in construction space
- SEZ, a big opportunity

Threats

- Retaining Employees
- Delays in Implementing the project
- Any adverse government regulations

Source:Emkay Private Client Research

Financial Outlook

Strong revenue and profit growth in past

Strong revenue and profit growth :

BL Kashyap has shown strong revenue and profitability growth in the past. Its revenue has trebled during FY04-06(72% CAGR) and PAT has jumped by 8.7x times during the same period showing a CAGR of 195%.We estimate BLK's sales to grow at 69% CAGR during FY06-08 followed by net profit growing at a CAGR of 93% in the same period.

We estimate BLK's sales to grow at 69% CAGR during FY06-08 followed by net profit growing at a CAGR of 93% in the same period.

For FY06 BLK recorded net revenue of Rs4655 mn and net profit of Rs281.7 mn and we expect revenues to total Rs 8650 mn and 13200 mn in FY07E and FY08E.Net profit is expected to be RS 572.5 mn and 1045.2 mn in FY07E and FY08E.

We estimate BLK's EBIDTA to grow at a CAGR of 86% between FY06A-FY08E.

EBIDTA to grow at 86% between FY06-FY08E

We estimate BLK's EBIDTA to grow at a CAGR of 86% between FY06A-FY08E. We have taken EBIDTA margin of 11.3% and 12.6% in FY07E and FY08E. Company in H1FY07 has achieved 11.5% margin and we expect further improvement in margin going ahead.. The company has improved its working capital cycly thus reducing debtor days and inventory days. Moreover the subsidiaries which is in real estate and furnishers will operate at higher margin then its core construction business thus helping consolidated EBIDTA to grow from 475.7 mn in FY06A to 1663.2 mn in FY08E.

The company plans to capitalize further Rs 260 mn to 300 mn in next 6 to 8 months and Rs 300 mn in FY08

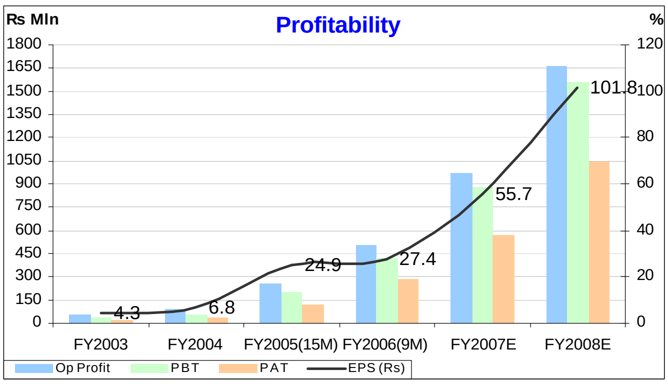
Capex Plans : In Infrastructure realty play, owned equipment plays an important role as it saves hiring charges and easy availability of the assets help in saving cost and time.The company plans to capitalize further Rs 260 mn to 300 mn in next 6 to 8 months and Rs 300 mn in FY08 which will help company an edge over the other players.

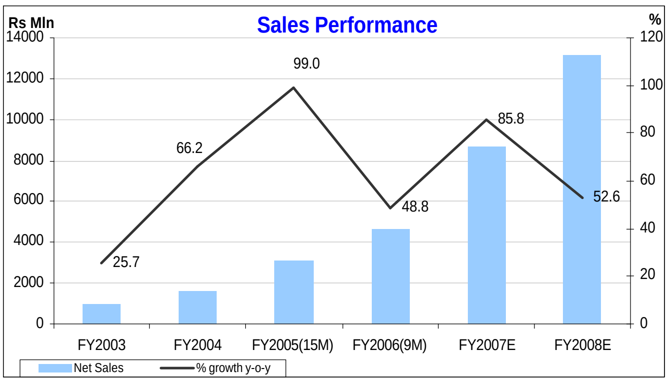
We expect BLK to generate strong operational cash flows over the next two years between FY07E and FY08E.

Cash Generation of BLK will improve significantly :

We expect BLK to generate strong operational cash flows over the next two years between FY07E and FY08E.On a cumulative basis we estimate operational cash flows to total Rs 1189 mn (FY07E FY08E) which we believe would be more then adequate enough to service its interest burden, and help meeting its working capital needs.

With operation cash flows getting better, the company will be able to meet its expansion costs,its working capital needs and service its other financial cost to the needful. We estimate BLK overall leverage to remain well under control with D:E to remain well under control.





Source:Emkay Private Client Research

Industry Scenario

Over next five years, we expect the Indian real estate market to grow at a 19.5% CAGR.

Indian Real Estate Market :

The size of the India's real estate market, in terms of total economic value of real estate development activity is currently US$40-45bn (5-6% of GDP)—residential (90-95% of the market), commercial (4-5%), and organised retail (1%). Over next five years, we expect the Indian real estate market to grow at a 19.5% CAGR, driven by 18-19% growth in residential real estate, 55-60% in retail real estate, and 20-22% in commercial real estate.

Particulars	FY05(US$)	FY10E(US$)	CAGR FY05-10E(%)
Residential	38	88	18.3
Commercial	1.5	3.8	20.5
Retail	0.6	6	56
Total	40.1	97.8	19.5
Real Estate market as % of GDP	5.6	7.8	

Source: CRIS Infac

India is facing housing shortages in urban and semi-urban locations including rural areas.

Residential market :

India is facing housing shortages in urban and semi-urban locations including rural areas. The Planning Commission estimates that, at the beginning of the 10th five-year plan, the shortage of urban housing was 8.89m dwelling units. Other estimates indicate slightly lower shortages. For example, Housing Development Finance Corporation (HDFC) estimates the housing shortage at 19.8m units at the end of 2005—7m in urban areas and 12.8m in rural areas.

We expect the urban housing shortage to increase, as there has been a shift in place from rural areas to urban areas.

We expect the urban housing shortage to increase, as there has been a shift in place from rural areas to urban areas. We have observed that lot of white collar people demand in urban areas from corporates on account of which there has been a sudden rise in demand in urban housing and also increase in rental realizations. We expect further a boost in the demand of white collars people which will inflate the rental realization up and also the housing demand. The Ministry of Urban Employment and Poverty Alleviation (MUEPA) estimates the urban population will increase at a 2.6% CAGR and the rural population at a 1.3% CAGR for 2005-15 because of increasing migration from rural to urban areas. The current level of urbanisation in India is low in the Asian context; 25% of the population lives in urban areas in India, against 40% in China.

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Commercial Real Estate:

The size of the commercial real estate market (primarily office space) was 23million sq ft in FY06 (US$1.5bn in value). Demand for commercial real estate is driven by corporates, mainly in the service sectors. We estimate 75% of the demand for office space in India now comes from the IT/IT-enabled services (ITES) and business process outsourcing (BPO) sectors. These sectors are growing 20-30% annually, so it is reasonable to expect demand for office space from these sectors to rise at a similar pace, implying a potential market size of US$3.7-4.3bn by FY10E.

(Source:CRIS Infac)

Beside demand seen in corporate the Industrial segment with expansion phase is creating lot of infrastructure projects which will help demand pushing up.

SEZ, a big opportunity.

SEZ –will kick start Commercial and Industrial demand:

The Government of India is taking measures to facilitate the economic growth with SEZ(Special Economic Zone) opportunity. We believe that SEZ provides a huge opportunity for real estate players and will accelerate the growth of various other sectors.

Valuation

We believe that going ahead BLK will be key beneficiary of the construction boom in the country.
BLK in particular enjoys strong competitive advantages which distinguish it from other players.

- Pure play on Infrastructure service with no land value fluctuation risk.
- Enjoys strong technical skill sets and experienced manpower which is very important in this sector.
- BLK is pure a construction play and gives it lot of opportunity to enter in other sectors like Roads, Railway, Irrigation etc.

We expect BLK's net earning per share to increase from Rs27.4 in FY06A to Rs 102in FY08E with cash earning per share improving to Rs 114 in FY08E from Rs 32 in FY06A

We expect BLK's net earning per share to increase from Rs27.4 in FY06A to Rs 102in FY08E with cash earning per share improving to Rs 114 in FY08E from Rs 32 in FY06A
At CMP of Rs1303, we believe that the stock is attractively valued. The stock discounts FY08E EPS of Rs 102 by 13x respectively. It also discounts EV/EBITA by 8x of FY08E at CMP of Rs 1303.

Key Assumption	
Terminal Growth	4%
Ajusted Beta	0.96
Risk Free Rate	6%
Market Risk Premium	7%
Cost of Equity	13%
Cost of Debt	9%
Debt	452.00
Equity	13300
WACC	12.43

Source:Emkay Private Client Research

NPV	17420.4
Net debt	-527.6
Value	17948.0
Value/share	1747.3
One year forward	1961.5

Source:Emkay Private Client Research

DCF	FY08	FY09	FY10	FY11	FY12	FY13	FY14
PAT	1043.2	1351.50	1614.03	1769.00	2093.22	2191.84	2151.66
Depreciation	120.00	150.00	170.00	200.00	210.00	230.00	100.00
Interest (1-tax rate)	23.43	16.75	13.40	11.20	10.50	9.00	10.00
Change in NWC	731.13	292.45	224.21	123.32	129.48	54.38	138.68
Capex	200.0	100.0	100.0	100.0	100.0	100.0	100.0
FCFF	255.50	1125.79	1473.22	1756.88	2084.24	2276.46	2022.98
Discounted Value	227.25	890.61	1036.59	1099.51	1160.15	1127.05	11879.29

*Source:Emkay Private Client Research *Terminal Value*

The following grid gives a sensivity analysis based on diffrent scenarios

		WACC	
Terminal growth	11.00%	12.4%	13.0%
3%	2055	1824	1748
4%	2248	**1964**	1870
5%	2506	2136	2023

Source:Emkay Private Client Research

Peer comparison

Company Name	BLK	IVRCL	Madhucon
RoCE	23	20	11.8
RoE	26	22	13.9
EV/EBITA	8.3	14	10.1
P/E	12.8	18	13.1

Source: Emkay Research (FY08 Estimates)

Business Outlook and Valuation

BLK with its presence in Commercial, Industrial and Residential segment and with key competitive skills will be a key beneficiary in construction segment.

We believe that the construction industry will grow at robust rate in coming years. This will give opportunity to all the construction players to show best of their performance. BLK with its presence in Commercial, Industrial and Residential segment and with key competitive skills will be a key beneficiary in this segment.

We initiate " BUY" on BL Kashyap stock at Rs 1303 with target price of Rs 1964. At our target price it discounts FY08E EPS of Rs102 (consolidated) by 19x and EV/ EBITA of FY08E by 12x.

Profit & loss statement (Rs mn)

Year to June	FY06A	FY07E	FY08E
Net Sales	4,655.2	8,650.0	13,200.0
% Growth	48.8	85.8	52.6
EBIDTA	475.7	977.5	1,663.2
% Growth	93.9	105.5	70.2
Other Income	32.8	40.0	50.0
Interest	40.8	35.0	35.0
Depreciation	42.6	100.0	120.0
PBT	425.0	882.5	1,558.2
% Growth	108.1	107.6	76.6
Tax	143.4	305.0	510.0
Deferred Tax	-2.2	5.0	5.0
PAT	283.8	572.5	1,043.2
% Growth	133.1	101.7	82.2
Dividend (%)	50.0	60.0	61.0
EPS (Rs)	27.43	55.73	101.75
BVPS (Rs)	240.1	291.4	388.2

Balance sheet (Rs mn)

Year to June	FY06A	FY07E	FY08E
Eqty & Pref Cap	102.7	102.7	102.7
Reserves	2,339.2	2,890.7	3,885.0
Networth	2,441.9	2,993.4	3,987.7
Secured loans	194.7	302.0	406.0
Unsecured loans	0.0	150.0	150.0
Total loans	194.7	452.0	556.0
Deffered Tax Liab	0.0	0.0	0.0
Total Liability	**2,636.6**	**3,445.4**	**4,543.7**
Net Block	426.3	726.3	906.3
Investment	1,405.0	1,005.0	905.0
Inventory	575.7	1,564.1	2,386.8
Debtors	882.5	1,700.0	2,531.5
Cash balance	396.3	845.0	1,083.6
Other CA	432.7	625.0	870.0
Current Liabilities	1,257.9	2,665.4	3,559.5
Provisions	271.8	350.2	560.9
NCA	757.4	1,718.6	2,751.6
Misc Exp	63.7	0.1	0.1
Deffered Tax	0.0	0.0	0.0
Total Assets	**2,652.5**	**3,450.0**	**4,563.0**

Ratio Analysis

Year to June	FY06A	FY07E	FY08E
OPM %	10.2	11.3	12.6
NPM %	6.1	6.6	7.9
RONW %	11.6	19.1	26.2
ROCE %	10.96	16.59	22.93
Int. Cover (x)			
D/E (x)	0.08	0.15	0.14
Asset Turnover (x)	8.4	9.0	10.5
Debtors Days	69.2	71.7	70.0
Inventory Days	45.1	66.0	66.0
Valuation ratios			
P/E (x)	48.5	23.9	13.1
EV/EBIDTA (x)	27.2	13.9	8.3
EV/Sales (x)	3.0	1.6	1.1
Mkt Cap/Sales(x)	2.9	1.6	1.0
EPS	27.4	55.7	101.8
CEPS (Rs)	31.6	65.5	113.4
P/ BV (x)	5.5	4.6	3.4

Cash Flow Statement (Rs mn)

Year to March	FY06A	FY07E	FY08E
PAT	281.7	572.5	1,045.2
Depreciation	42.6	100.0	120.0
Change in WC	-738.5	-1,192.7	-1,035.1
Operating CF	48.4	479.0	710.1
Capex-	266.4	-400.0	-300.0
Investments	-1,388.9	400.0	100.0
Misc Exp			
Investing CF	-1,655.3	0.0	-200.0
Dividends	-97.0	-30.8	-40.0
Debt	-6.2	257.3	104.0
Eq/Pref Cap	2,056.4	0.0	0.0
Financing CF	1,868.2	-30.5	-286.2
Net Change	261.3	448.5	238.9
Opening Cash	135.6	396.3	845.0
Closing Cash	396.8	844.8	1,083.6

Source:Emkay Private Client Research

Emkay's Network

AHMEDABAD
079-26448727/29
ALLAHABAD
0532-2452388
ALWAR
9414454123
AURANGABAD
09860498897
BANGALORE
Cunninghum Road
080-41220915
Malleswaram
080-23464173
Vijaynagar
9341327222
BHOPAL
09301189603
BARODA
Alkapuri
0265 6640551
Sayaji Gung
0265-3918069 - 74
Karelibaug
0265-3918021 - 24
Manjalpur
0265-3206663
BHAVNAGAR
9898001945
CHENNAI
Adyar
044-42300788
Anna Nagar
044-42127298
Ramarao Street
044- 42605604
T Nagar
044- 42605604
044-42024672
Gandhi Nagar
044-42607611
Thiruvanmiyur
044-42178646
Nanganallur
044-42056685
North Usman Road
044-45502496
Sowcarpet
044-30966268
CHANDIGARH
0172-5052424
Chandigarh - Sec47
0172-5072123
COCHIN
0484-3949749
COIMBATORE
100 Feet Rd
0422-2493536
R.S Puram
0422-4370489
DELHI
Nehru Place
011-32474709
SSK
011 42267259
Dehradun
9219698600
Dibrugarh
0373-2322607
DIMAPUR
03862-225832
DINDORI
07644-234261
ERODE
0424-22212823
Brough Road
09894719071
FARIDABAD
0129-4068303

GANGANAGAR
9351793000
GOA
9822176569
0832 - 6650770
GULBARGA
08472 321850
GUWAHATI
9954070377
GURGAON
Old Railway Rd.
0124-3250629
Sheetla Mata Rd.
0124-4081346
HOSHIARPUR
01882-326767
HYDERABAD
Ameerpet
09346939076
Banjara Hill
040 6553 4261
HARIDWAR
01334-329563
INDORE
0731-3918624
9893894415
JABALPUR
Agga Chowk
0761-4067239
Vikas Bazaar
0761-4031955
JAIPUR
Bhawani Singh Lane
0141-2361438
JAIPUR
0141-2378661
JAMNAGAR
0288-2561522
JAMMU
0191-2454764
JHARIA
0326-2361720
JHARKHAND DHANBAD
0326 2361720
JODHPUR
0291-5101900
Jalori Gate
0291-2627749
Paota
0291-3209090
Mandore Mandi
0291-5121134
Mandore Mandi
0291-5100995
MORADABAD
05912424090
JUNAGADH
0285-2629489
KARNAL
9255248404
KOTTAYAM
04812563033/44
KARAIKUDI
04565-224221
KAYAMKULAM
0479-3953222
KOLKATA
033-39511666
C.B. Street
033-22428734
Weston Street
033-22118369
Tagore Street
033 - 22597938
Tarachand Dutta Street,
033- 26501114
Grant Lane
09830667686

Mukherjee Road
033 24668300
KOTA
0744-2502877
LUCKNOW
9839552211
MADURAI
0452-3018691/92/93/94/
0452- 4379688
MYSORE
0821 4250696
MUMBAI
Borivali
022-28334629
Borivali
022-56610312
Borivali
9867697105
Borivali
9867129422
Dadar
022-32605528
Dhobi Talao
022-56023723
Fort
022-22653471/22875805
Fort
022-22704710
Ghatkopar
022-25122448
Goregaon
022-28770991
J B Nagar
9892343344
Khar
022-26049302
Lokhandwala
022-56778638/39
Malad (E)
022-28820352
Malad (W)
022-28891770
Malad (W)
022-28777679
Masjid Bunder
022-56357597
Masjid Bunder
9224575600
Mulund
022-25614154
Oshiwara
9821233777
Powai
022-28573098
Santacruz
9869102930
Santacruz (w)
26616085 / 7075
Ulhasnagar
95251-3952746
Versova
022-26360617-18
Vile Parle
022-26714805
NAGPUR
0712-2538191
NELLORE
0861-2330841
Sitabuldi
0712-2558455
NASHIK
0253-5607814/15
Gangapur Rd
9326173938
Raviwar Peth
0253- 3203888
60 ft. Rd
0253-2598310

PANIPAT
0180-6451645
PERUMBAVOOR
0484-2640046
PUNE
D.P. Road
9850818986
Karve Road
9325505031
Rasta Peth
020-26123351
Satara Rd.
9520-24220031
Sadashiv Peth
9520-30947224
Shaniwar peth
020- 255303387
RAJAHMUNDRY
9396456406
RAJKOT
Dr. Yagnik Rd
0281 - 2464535
Phulchab Chowk
0281-2452875
Rampur
9837605847
RATLAM
07412-329878
SRINAGAR
9419074424/ 9906679327
SALEM
0427-2336881
SAGAR
0758-2401647
SARDARSHAHAR
01564-512108
SONIPAT
9812059933
SIRSSA
09888333639
SURAT
0261-2369996
Ghod Dod Road
0261- 3993010
TRICHY
0431- 4220713/14/15
TIRUPUR
0421-4336995
THRISSUR
Kokalai
0487 2428793
Patturakkal
0487 6450233
UDAIPUR
0294-2415405
VISAKHAPATNAM
0891 2730730
VARANASI
0542-5521383
VIJAYAWADA
0866-2579266
WARANGAL
0870-6450793/94/95
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09422892827

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