

April 23 2007

Twenty First Century Printers Ltd.

CMP - Rs. 40 BSE Code -523301

Twenty First Century Printers Ltd. (TCPL) started operations in 1990 with Godfrey Philips as its first customer. The company which started with the manufacture of Cigarette cartons for Godfrey Philips has come a long way and today caters to a number of customers in various industry segments.

Infrastructure

The company has two manufacturing plants - located at Silvassa, Dadra and Nagar Haveli and at Haridwar in Uttaranchal. Both the plants are State of the Art and are equipped with the latest technologies in Printing Machines, Pouching Machines, Folding and Glueing Machines, UV and Water based coating machines. The company has the distinction of being the first printing and packaging unit in India to be accredited with prestigious ISO:9002 certification, which the company received for its Silvassa unit in 1997.

Subsequently, in the year 2002, it has been re-certified with the latest standard ISO:9001: 2000.

The company's state of the art unit in Haridwar which went into commercial production in November 2005, was accredited with ISO 9001 2000 certification within a short span of four months of commencement of commercial production.

The company is currently expanding the capacity of the Haridwar Plant further to cater to the various companies which are setting up their manufacturing facilities at Uttaranchal due to Tax benefits.

Client Profile

The company has been audited and approved as vendor for supply of printed packaging materials to multinational companies such as Hindustan Lever (UniLever Group), Procter & Gamble, Nestle, Britannia, Amul, Jindal Photo Films, Vidyut Metallics, Seagrams, McDowell, General Mills, Godfrey Phillips (Phillip Morris Associate), VST, ITC (BAT Associates), etc.

TCPL caters to a number of companies across varied industry segments. Some of these are :-

Cigarettes - Godfrey Philips, ITC Ltd., VST.

Liquor - Seagrams, Radico Khaitan, Shaw Wallace, Mc Dowell

Foods - Nestle, Amul, Britannia, Dabur, Heinz

FMCG - Hindustan Lever, Procter & Gamble, Colgate, Godrej, Marico

Others - Emami, Konica, Pidilite,

Financials

The latest financials of the company are given as under :-

QUARTERLY - LATEST RESULTS - Twenty First Century Printers Ltd (Curr: Rs in Cr.)

Particulars	Quarter Ended	Quarter Ended	Quarter Ended	YTD / Latest Half	YTD / Latest Half	YTD / Latest Half	Year Ended	Year Ended	Year Ended
	(Dec 06)	(Dec 05)	(% Var)	(Dec 06)	(Dec 05)	(% Var)	(Mar 06)	(Mar 05)	(%Var)
							(12)	(12)	

Sales	24.07	20.5	17.4	72.36	57.5	25.8	77.59	65.32	18.8
Other Income	0.27	0.76	-64.5	1.1	1.2	-8.3	1.46	1.4	4.3
PBIDT	3.71	3.08	20.5	11.17	8.45	32.2	11.57	9.6	20.5
Interest	1.05	0.93	12.9	3.31	2.2	50.5	3.2	2.48	29
PBDT	2.66	2.15	23.7	7.86	6.25	25.8	8.37	7.12	17.6
Depreciation	1.68	1.3	29.2	4.93	3.54	39.3	4.99	3.95	26.3
PBT	0.98	0.85	15.3	2.93	2.71	8.1	3.38	3.17	6.6
Tax	0.32	-0.07	LP	1.11	0.35	217.1	0.46	0.37	24.3
Deferred Tax	-0.09	0.35	PL	-0.53	0.42	0	-1.26	0.48	PL
PAT	0.75	0.57	31.6	2.35	1.94	21.1	4.18	2.32	80.2

(Source : Capitaline)

**Latest Data As On
20/04/2007**

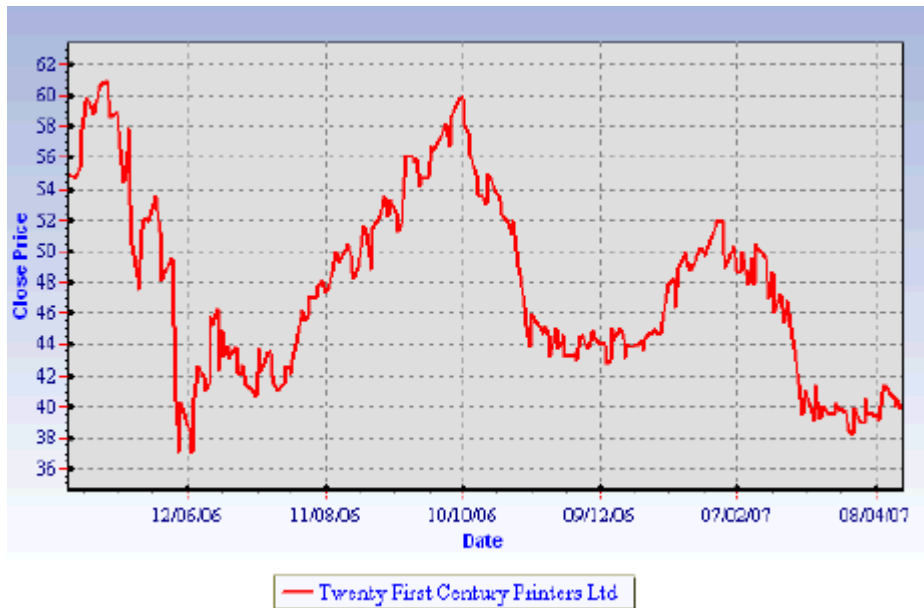
Latest Equity(Subscribed)	5.72
Latest Reserve	25.06
Latest Bookvalue -Unit Curr.	53.81
Latest EPS -Unit Curr.	8.01
Latest Market Price -Unit Curr.	40
Latest P/E Ratio	4.99
52 Week High -Unit Curr.	64.5
52 Week High-Date	5/8/2006
52 Week Low -Unit Curr.	32.05
52 Week Low-Date	6/9/2006
Market Capitalisation	22.88

Stock Exchange	BSE
Dividend Yield -%	3.75

(Source : Capitaline)

The company has an Equity Capital of Rs.5.72 crores with the promoters holding 50.87%. The company has paid a dividend of 15% for FY 05-06.

The share price chart of the company is given as under :-



(Source : Capitaline)

Stake Increase by Promoters

The promoters have been steadily increasing their stake in the company and have over the past 2 years been increasing their stake through allotment of shares on a preferential basis. The promoters have taken preference shares in March 2005 at a price of Rs.30 per share, in August 2005 at Rs.40 per share and in September 2006 at Rs.53 per share. The company's board has recently approved allotment of Shares and Warrants to the promoters at Rs.48 per share. The infusion of funds and increase of their stake by the promoters only shows the confidence of the promoters in the future of the company.

Conclusion

TCPL has an enviable client list which includes leading Multinationals and Indian companies. The company has been very aggressive on the export front and has registered over 70% growth in its export sales from 10.43 crores in 04-05 to 17.82 crores in 05-06.

The company's new plant at Uttaranchal which went into commercial production in November 2005 will add substantially to its topline and bottomline in the coming years. The company is infact undertaking further capacity expansion at its Uttaranchal plant. The company enjoys various tax incentives (Excise Duty and Income Tax) in Uttaranchal which would lead to improved bottomline. The company has an uninterrupted track record for payment of dividend for the last 6 years and has a Book Value of Rs.54. The stock is available at a discount to the Book Value. The expansion project has been financed out of Internal Accruals and Debt without any dilution in Equity Capital, which would lead to enhancement of Shareholder's Value over long term.

The company sees huge opportunity in Uttaranchal due to the fact that many large Indian companies and Multinationals are setting up their manufacturing facilities in the area owing to Direct & Indirect Tax benefits being offered. Many large corporate houses

including Hindustan Lever, ITC, Dabur, Voltas, Proctor & Gamble, HCL, Tata Motors, Hero Honda, Britannia, Liberty Shoes, Zandu Pharma, Nestle are setting up operations in Uttaranchal. To take advantage of the opportunities available, the company is further doubling its capacity at Haridwar plant. The opportunity to the company at Uttaranchal could be REALLY BIG.

India is on the threshold of a retail revolution with packaging and printing of the products being more attractive than ever before. The Corporate India is increasingly beginning to realize the importance of packaging and printing in the Sales of the product. With very few players having a size and scale of operations as large as TCPL, the company commands a dominant position in the industry and will continue to be a preferred supplier to most MNCs and other big corporates.

The downside from the current levels looks restricted. Investors can accumulate the stock at the current levels.