Angel Broking™
Service Truly Personalized

# Subros

**Company Update**

## BUY

| | |
|---|---|
| **Price** | **Rs40** |
| **Target Price** | **Rs50** |
| **Investment Period** | **12 months** |

### Stock Info

| | |
|---|---|
| Sector | Auto Ancillary |
| Market Cap (Rs cr) | 241 |
| Beta | 0.5 |
| 52 Week High / Low | 44/14 |
| Avg Daily Volume | 49144 |
| Face Value (Rs) | 2 |

| | |
|---|---|
| BSE Sensex | 16,741 |
| Nifty | 4,976 |

| | |
|---|---|
| BSE Code | 517168 |
| NSE Code | SUBROS |
| Reuters Code | SUBR.BO |
| Bloomberg Code | SUBR@IN |

| **Shareholding Pattern (%)** | |
|---|---|
| Promoters | 40.0 |
| MF / Banks / Indian FIs | 14.4 |
| FII / NRIs / OCBs | 26.8 |
| Indian Public / Others | 18.8 |

| Abs. | 3m | 1yr | 3yr |
|---|---|---|---|
| Sensex (%) | 17.4 | 25.7 | 38.7 |
| Subros (%) | 42.4 | 42.6 | (15.1) |


**Vaishali Jajoo**

Tel: 022 - 4040 3800 Ext: 344

E-mail: vaishali.jajoo@angeltrade.com

**Shreya Gaunekar**

Tel: 022 - 4040 3800 Ext: 331

E-mail: shreyap.gaunekar@angeltrade.com


## Conditioned for growth

*The Subros Management is sanguine about clocking better-than-expected Volume growth, on the back of new launches by its prime customers, such as Maruti and Tata Motors, its foray into manufacturing air-conditioning units for the Commercial Vehicle (CV) Segment, and potential business opportunities from International players ,who are setting up manufacturing hubs in India. In FY2008 and FY2009, the company had registered a dismal performance, following a major dip in volumes and supplemented by unutilised capacities. Going ahead, we expect the company to regain its momentum on the back of its improving core business fundamentals and the Auto industry witnessing a turnaround. We estimate Subros to register a CAGR of 19.1% in Revenue and 51.5% in Net Profit over FY2009-11E.* ***Hence, we maintain a Buy on the stock, with a revised Target Price of Rs50 (Rs37 earlier), at which the stock would trade at 10x FY2011E Earnings.***

- **Improved PV volumes to boost growth:** An improving economic scenario and positive consumer sentiments, particularly in the Passenger Vehicle (PV) Segment will play pivotal roles in OEM growth and, thereby, in the growth of ancillaries like Subros. We estimate the PV Segment to post a CAGR of 11% over FY2009-11E. Accordingly, we expect Subros to post a CAGR of 19.1% in its Top-Line over FY2009-11E, and to reduce Raw Material cost and improve operating leverage, which would help Net Profit Margins (NPM) to increase by 46bp and 117bp in FY2010E and FY2011E, respectively.
- **India's increasing importance as a global manufacturing hub:** India is emerging as the global manufacturing hub for small cars. Total PV capacity in India has grown at CAGR of 16% during FY2003-09, to around 3mn units. Moreover, OEM announcements suggest that PV capacity is estimated to grow by another 19% during FY2009-11. Subros is in a key position to play well on this growth in its primary segment, on account of its market leadership advantage, set capacities and technological expertise.
- **Maintaining its leadership position:** Subros is the market leader in the 1.5mn units Indian Auto Air-conditioning Industry, with a 41% marketshare, followed by other players like Visteon, Behr, Sanden and Denso. The management has guided further penetration to around 43%, over the next couple of years, as it is well placed to cash in on the recovery cycle in the Auto industry, owing to its sound client base, technological edge and better operating leverage.

### Key Financials

| Y/E March (Rs cr) | FY2008 | FY2009 | FY2010E | FY2011E |
|---|---|---|---|---|
| **Net Sales** | **662.7** | **694.5** | **880.8** | **984.6** |
| *% chg* | *2.4* | *4.8* | *26.8* | *11.8* |
| **Adj. Net Profit** | **28.6** | **13.1** | **20.6** | **30.0** |
| *% chg* | *2.9* | *(54.3)* | *57.6* | *45.6* |
| OPM (%) | 12.6 | 9.1 | 9.2 | 10.0 |
| **EPS (Rs)** | **4.8** | **2.2** | **3.4** | **5.0** |
| P/E (x) | 8.4 | 18.0 | 11.7 | 8.0 |
| P/BV (x) | 1.4 | 1.3 | 1.2 | 1.1 |
| RoE (%) | 16.4 | 7.3 | 10.4 | 13.5 |
| RoCE (%) | 17.4 | 9.6 | 11.9 | 15.0 |
| EV/Sales (x) | 0.4 | 0.5 | 0.4 | 0.3 |
| EV/EBITDA (x) | 4.1 | 5.8 | 4.9 | 3.9 |

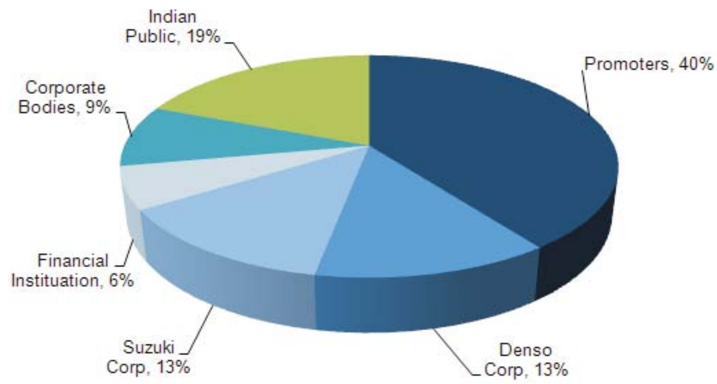
*Source: Company, Angel Research*

## Company Background

***A market leader in the Auto Air-conditioning industry with 750,000 AC units capacity.***

Established in 1985 as a joint venture with Denso Corporation and Suzuki Japan, Subros has moved across the manufacturing chain from assembly operations to becoming the largest and only integrated manufacturing unit in India for Auto air conditioning systems. The company has grown its capacity from 15,000 AC units at inception, to 750,000 AC units currently. The company has the capabilities to manufacture compressors, condensers, heat exchangers and all connecting elements that are required in the AC loop. Subros is in collaboration with its strategic partners, Denso and Suzuki, for technological expertise for the manufacture of AC systems.

**Exhibit 1: Shareholding Pattern**



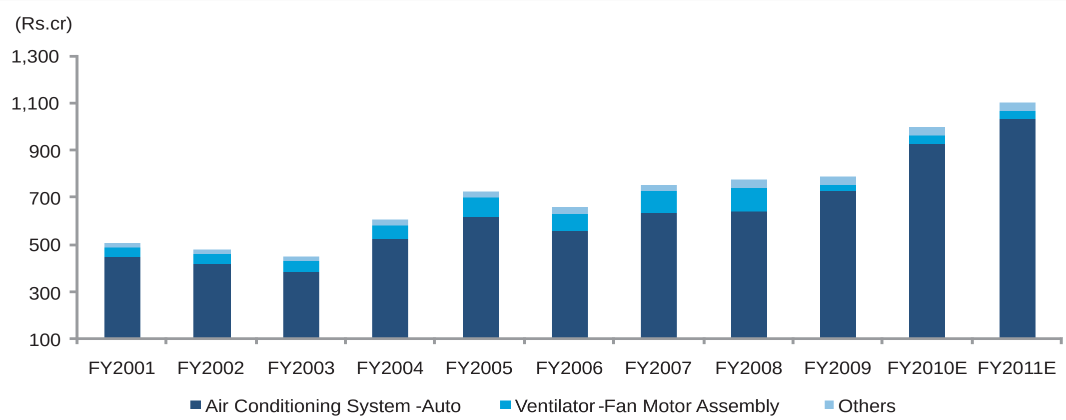

*Source: C-line, Angel Research*

## Business Segments

***Auto Air-Conditioning products accounts for around 90-95% of its Total Revenues***

The company manufactures Air Conditioning units and Fan Motor Assembly units (Ventilators) for the PV Segment. Recently, the company also developed a new-generation series compressor (10SA13), which has been certified to deliver a higher level of performance, and is energy friendly and fuel efficient. Auto Air-Conditioning products contribute to a substantial 90% of the company's Revenue pie, and this is the primary segment that would drive the company's future expansion and growth.

**Exhibit 2: Segmental Revenue Break-up**



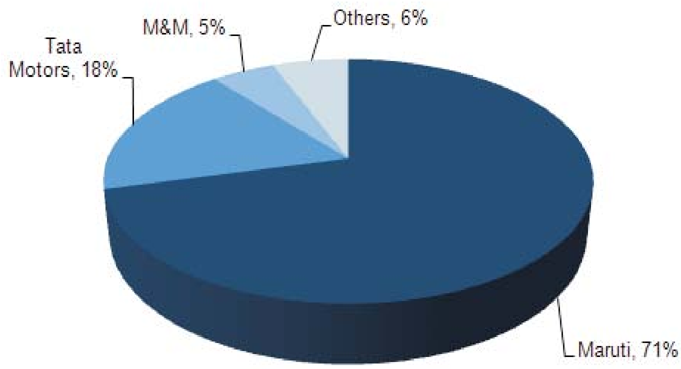

*Source: Company, Angel Research*

### Client base

***Maruti Suzuki, Tata Motors and Mahindra & Mahindra make up 90% of the company's client book***

The company's business model is heavily reliant on a narrow set of clients, including 71% of revenues coming from its oldest client, Maruti Suzuki. Its customer base has grown to include Auto heavyweights like Tata Motors (18%) and Mahindra & Mahindra (5%). The company currently caters majorly to the PV Segment, but plans to diversify its market base with the foray into the CV Segment, going ahead, with the supply of cabin ACs to high tonnage trucks and buses (for Ashok Leyland, Eicher and Volvo).

**Exhibit 3: Client-Revenue Mix**




*Source: Company, Angel Research*

## Industry Snapshot

### India Auto Ancillaries benefit from OEMs' shift in focus to low-cost regions

***We project the Auto Component industry to register a 14-16% CAGR in Revenue over FY2009-11E***

The Auto Component industry, which tracks the Auto Sector, has emerged as one of India's fastest growing manufacturing segments. It registered a turnover CAGR of 28.9% in value terms during FY2003-07, to Rs64,500cr. The industry had adopted a three-pronged strategy of product portfolio enhancement, market expansion and efficiency improvement to achieve this performance. Enhanced capacities and higher capacity utilisation significantly contributed to this growth. The competition offered by the presence of global automotive players in India and acquisitions made overseas by Indian companies helped Indian firms in honing their skills.

The growth of the Auto Component industry is directly linked to the growth of the Automobile Sector, as more than 65% sales are to the OEMs. However, in recent years, component exports have become an important growth driver and are expected to assume greater importance, going ahead. The shift in focus of the Indian Auto Component industry to exports has been apparent, from the rise in its share in the overall turnover. In FY2003, exports constituted 8% of the total turnover, whereas in FY2008, the same stood at 12% (or Rs14,500cr). However, the overall economic slowdown came as a sudden brake for the Sector's growth plans in FY2009. The Auto Component Sector, which depends on the OEMs for its growth, was stuck in the midst of sluggish growth in the domestic market and a recession-hit global export market.

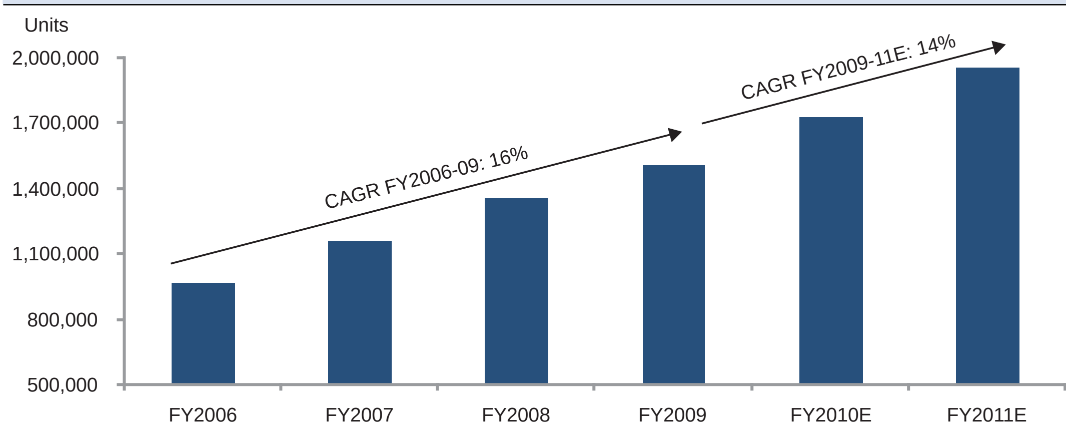
The domestic market (over 80% of the Indian Auto Component Sector) has experienced one of its worst phases, due to the dip in Auto sales during FY2009. At the same time, exports, which act as a cushion for any cyclical change in domestic demand, have been dismal due to the global financial crisis. Global outsourcing, from large traditional markets like the USA and Europe, has taken a serious beating and seen a reduction of up to 35% in many cases. Overall, the export growth of the Auto Component industry slumped to a mere 6% in FY2009, compared to a CAGR of almost 25% in the last five years. However, this industry is expected to see a revival, as the competitiveness of the industry is expected to increase in the overseas markets, as OEMs are expected to shift to low-cost regions for sourcing components, in an effort to aggressively reduce costs. We expect the Auto Component industry to register a 14-16% CAGR in Revenue over FY2009-11E.

## Automotive Air-conditioning Industry

***We believe that there is booming demand in the industry and expect a CAGR of 14% in its volumes over FY2009-11E***

The Indian Automotive Air-conditioning is a niche industry, with few established players such as Subros (market leader), Visteon, Behr, Sanden and Denso, and with new entrants like Calsonic. The industry operates at an approximate capacity of 1.5mn units, in which Subros currently has the leading market share of 41%. The competition in the industry is intensifying, with players facing pricing pressures in the past few years. The Auto Air-conditioning industry volumes are primarily driven by sales to OEMs (97-98%), and the residual sales are based on replacement market demand. We believe that there is booming demand in the industry and expect a CAGR of 14% in its volumes over FY2009-11E.

**Exhibit 4: Auto Air-conditioning Industry Volumes**




*Source: Company, Angel Research*

As the global economy recovers, with India and China being the forerunners in the cycle, the long-term outlook seems bright for the Auto Air-conditioning Industry, with robust growth in the OEM segment and a positive macro-economic scenario, along with annoucements from global automobile players that India is in the forefront of their strategic initiatives.

## Investment Arguments

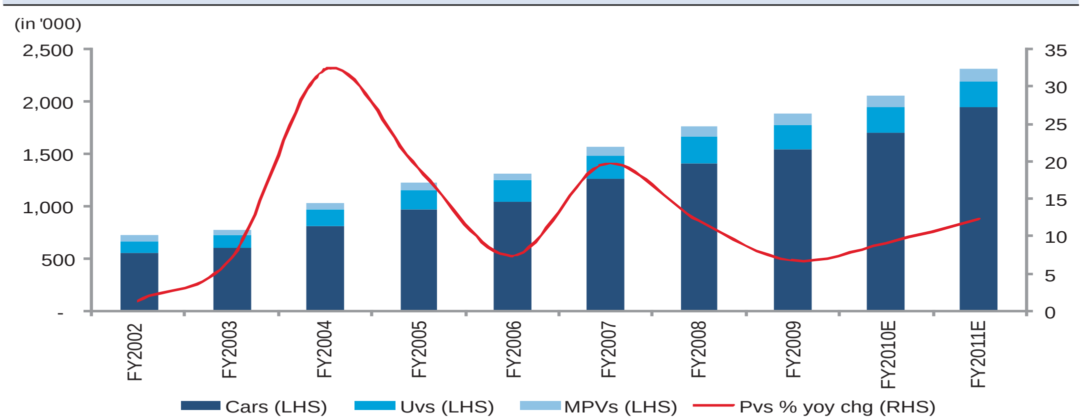
### Improved PV volumes to boost growth

***We expect Subros to register a CAGR of 19.1% in its Top-Line over FY2009-11E, and the NPM to surge by a healthy 46bp and 117bp in FY2010E and FY2011E, respectively***

The PV segment recorded a modest 6.9% yoy growth in FY2009, as compared to the robust 11.9% and 19.7% yoy growth clocked during boom times in FY2008 and FY2007, respectively. The Indian Automobile Sector had reeled under the pressures of a dismal macroeconomic scenario, with the headwinds intensifying in every quarter during FY2009. However, as the upturn in the cycle plays out here onwards, we remain positive on the Auto space, particularly due to the overall recovery in the economic cycle and positive consumer sentiments. Also, the PV segment penetration is estimated to be abysmally low at around 12 vehicles per thousand people as compared to other emerging/developed countries. Further, there are ample business opportunities, with new global players evincing a keen interest in starting/expanding operations in India and to be a part of the 'India Growth Story', especially in the Small Car Segment.

The growth of the Auto Ancillary Sector is directly correlated to the growth of the OEM market. Positive consumer sentiments in the Auto Sector will play a pivotal role in OEM growth and, thereby, growth for a player like Subros. Maruti is the company's biggest client, accounting for 71% of its overall Revenues and, hence, the company's growth is primarily driven by the growth in the PV Segment Volumes, which had recorded a decent CAGR of 13% in the last five years. We have conservatively estimated the PV Segment to clock a healthy CAGR of around 11% over FY2009-11. We believe that PV Segment growth will favour the volume growth for Subros, and expect the company to register a CAGR of 19.1% in its Top-Line over FY2009-11E.

**Exhibit 5: PV Industry Volumes**




*Source: SIAM, Angel Research*

### India's increasing importance as a global manufacturing hub

***With India's increasing importance as a manufacturing hub for OEMs, capacity of PV segment is estimated to grow by another 19% during FY2009-11E.***

India is emerging as the global manufacturing hub for small cars. The strong domestic automobile industry, higher localisation of automobile parts (due to a well-developed auto components industry), lower labour costs, availability of raw materials at a competitive cost, and skilled manpower are some critical factors that have resulted in India's growth as a manufacturing hub. In fact, Hyundai Motor Company has designated India as its global manufacturing hub for small cars. Even Maruti Suzuki India has an increasingly important position in Suzuki's world strategy. The other global automobile majors like Toyota Motors, General Motors, Volkswagen and Ford are keen to make India an export base for the small hatchback version of their cars.

The Total PV capacity in India has grown at CAGR of 16% during FY2003-09 to around 3mn units. This can be attributed to a continuous capacity ramp-up by major players like Maruti Suzuki, Hyundai Motors and Tata Motors. The entry of new OEMs like Skoda Auto, Volkswagen, BMW and Mercedes-Benz has also contributed to a growth in capacities, in the recent past. Moreover, OEM announcements suggest that the capacity of the PV segment is estimated to grow by another 19% during FY2009-11E.

**Exhibit 6: Player-wise estimated capacities by FY2010-11E**

| Player | FY2008-09 (P) | FY2010-11 (E) |
|---|---|---|
| Maruti Suzuki India | 1,000,000 | 1,000,000 |
| Hyundai Motors India | 600,000 | 600,000 |
| Tata Motors | 300,000 | 550,000 |
| Mahindra & Mahindra | 162,600 | 212,600 |
| Ford India | 100,000 | 200,000 |
| Honda Siel Cars India | 120,000 | 180,000 |
| Tata-Fiat | 130,000 | 130,000 |
| General Motors India | 225,000 | 225,000 |
| Toyota Kirloskar Motors | 70,000 | 170,000 |
| Hindustan Motors | 64,000 | 64,000 |
| Force Motors | 55,000 | 55,000 |
| Skoda Auto India | 40,000 | 40,000 |
| International Cars & Motors | 24,000 | 48,000 |
| Mercedes-Benz India | 5,000 | 5,000 |
| BMW | 3,000 | 3,000 |
| Volkswagen | 110,000 | 110,000 |
| **Total of passenger cars and UVs** | **3,008,600** | **3,592,600** |

*Source: Industry, Crisil Research, Angel Research*

Subros is one of the key suppliers to OEM majors, such as Maruti Suzuki, Tata Motors and Mahindra & Mahindra (M&M), who are upbeat on new launches, primarily those in the PV segment. Subros is gearing up to meet this burgeoning demand from OEMs; for instance, the company is setting up its overseas subsidiary to meet the supply requirements of Tata Motors' overseas vehicle launch project in Thailand and South Africa. Subros has also launched a new generation compressor (10SA13) in India, which is more energy-efficient, lightweight and is fitted in most of Maruti Suzuki's models. The company also has exclusive contracts to supply AC units for Maruti's *A-Star* and *Ritz,* and for M&M's *Xylo*. It has also bagged a contract to supply AC units to Tata's *Nano* from January 2010. The management is also positive on the emerging business opportunities from new OEMs like Bajaj and Nissan, who are setting up their manufacturing base in India especially for the compact car segment. Overall, we believe that Subros is in a key position to play well on this growth in its primary segment, on account of its market leadership advantage, set capacities, strong OEM client base and technological expertise.

## Maintaining leadership position

***Market Leader with 41% market share and strong technological expertise***

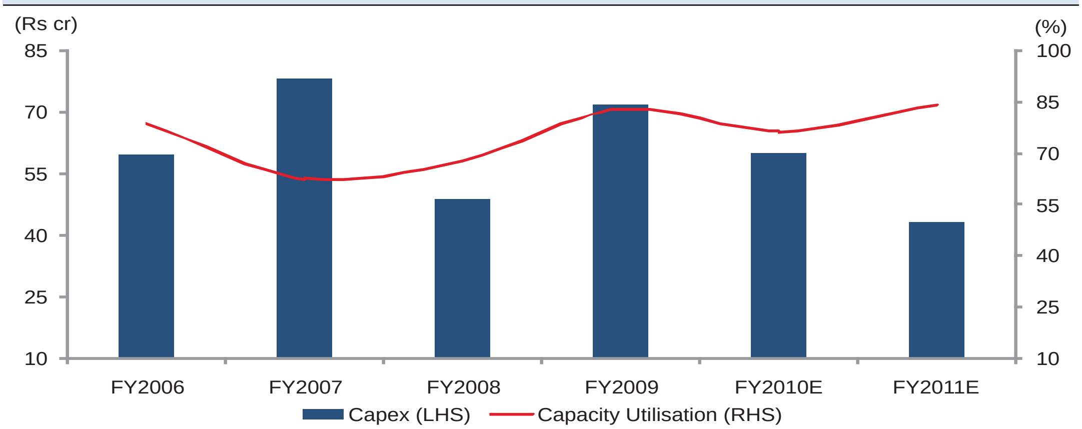
Subros is the market leader in the 1.5mn units Indian Auto Air-conditioning Segment, with a 41% marketshare, followed by other players like Visteon, Behr, Sanden and Denso. Subros has cornered such a high marketshare due to its strong technological expertise (is in technical collaboration with Denso and Suzuki). The management has guided further penetration to around 43%, going ahead, registering around a 16% CAGR in Volume over FY2009-11E. Nonetheless, with new players such as Calsonic also entering the market, competition is intensifying, particularly for the new models being launched by OEMs. As a result, pricing pressures have increased for all players, coupled with flat realisations. However, the Subros management is confident of gaining a competitive edge over its peers from an efficiency perspective, aided by effective cost management, by pruning costs through VAVE and waste elimination at the shop floor. Hence we believe that, vis-à-vis its peers, Subros is better placed to cash in on the recovery cycle in the Auto industry and to gain from the future business opportunities in the sector .

## Increasing Capacities to meet burgeoning demand

***The management has indicated capex of of Rs70cr over FY2010-11E; we estimate the company's Debt:Equity ratio to continue to stand in a comfortable range of 0.5-0.8x***

The Auto sector is gaining momentum, with increasing volumes and capacities from domestic and international players, thereby increasing potential business opportunities for the Auto components sector. In view of such burgeoning demand, especially from the Compact Car Segment, Subros has announced an increase in its capacity, from 0.75m units, to 1mn units in FY2010. In lieu of the booming times, the company added capacities in FY2007; however, capex plans were stalled in light of the dismal macro-economic scenario, which had caused the under-utilisation of capacity. With improving sentiments and expected growth, the management has indicated a capex of around Rs70cr over the next two years, of which Rs50cr is to be incurred in FY2010E, primarily on account of the capacity expansion, to serve the growing demand in the future. The management has also guided an increase in leverage to the tune of Rs25cr in FY2010E, along with internal accruals to fund its expansion plans. We estimate the company's Debt:Equity ratio to continue to stand in a comfortable range of 0.5-0.8x, and believe that the positive demand outlook and improving capacity utilisation will lead to improving profitability.

**Exhibit 7: Capacity Utilisation Trend**




*Source: Company, Angel Research*

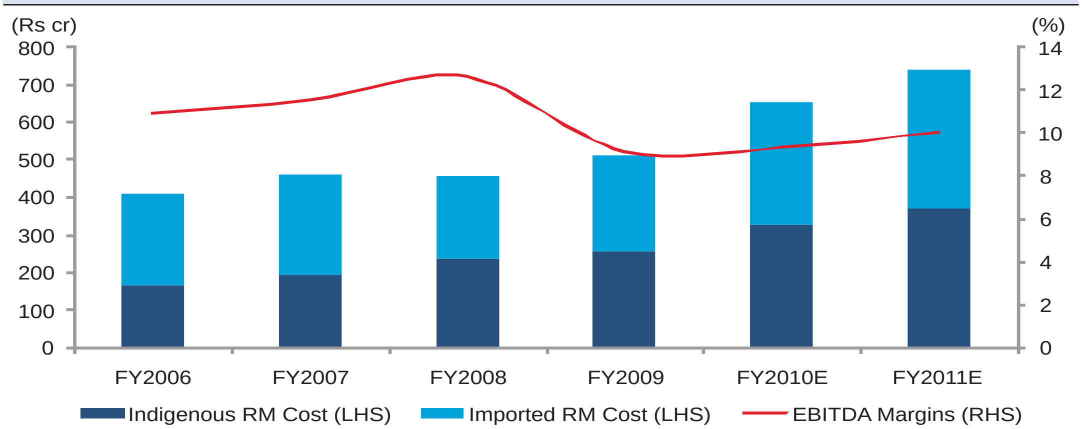
## Reduced Raw material prices, Localisation to aid improvement in Margins

***Going ahead, we expect the reduced commodity prices and the successful substitution of imported raw materials with indigenous materials to bolster Profits***

The Auto Component industry has been facing pricing and cost-optimisation pressures in last 2-3 years, and Subros has not been an exception to this fact. The company has been facing the pressure of maintaining its Profitability levels in the past two years, as it has been tackling volatile forex rates and rising commodity prices such as steel, crude oil and other key raw materials (which constitute 74-75% of its Sales). During FY2003-08, the raw material prices for the sector spiked at a CAGR of around 22%, with the average price of inputs increasing by another 12-13% in FY2009. This, coupled with the depreciation of the Rupee (INR) against the Japanese Yen (JPY) and the US Dollar (USD), also increased the raw material costs, leading to a 350bp yoy dip in the operating margin in FY2009 for the company. After the correction in commodity prices in 2HFY2009, the average input cost is set to decline by around 15% in FY2010E, which is expected to positively impact the company's Margins hereon.

In another initiative to mitigate costs, Subros also proposes to localise the production of some critical components with the technological backing of its strategic partner, Denso Corporation. With the ongoing localisation of raw material production, to the extent of 50% of the requirement, the Raw Material Cost to Sales is expected to reduce gradually and improve the EBITDA Margin by 90-100bps by FY2011E. Going ahead, we expect the cooling commodity prices and successful substitution of imported raw materials with indigenous materials to help clock a good growth in Profits.

**Exhibit 8: Raw Material Cost Trend**




*Source: Company, Angel Research*

## Segment diversification

***Subros is diversifying its portfolio, with new forays into supplying AC units for the CV segment***

The company also proposes to foray into the CV Segment, targeting leaders such as Ashok Leyland and Eicher, to expand its product base and to explore new avenues. Recently, the CV players have been witnessing an uptick in Volumes, with Truck demand picking up since the beginning of the current fiscal. Bus volumes are also set to pick up, going ahead. Besides, Ashok Leyland and some other players would also be prime beneficiaries of the government's JNNURM Scheme and other governmental incentives. Thus, we believe that Subros is well placed to play out this turnaround in the Auto Sector, particularly in the CV Segment, on the back of the expanding capacity and the growing OEM client base. These developments and segment diversification would help the company to de-risk its business portfolio, and would reduce its dependence on a single product and segment.

## Financial Performance

### Revenues to pick up on rising visibility

***We have modeled a 19.1% CAGR in the company's Revenues over FY2009-11E***

In FY2009, Subros posted a muted 4.8% yoy growth in Net Sales, largely on the back of a decent growth in volumes (around 20%) coupled with a negative growth in realisations. This was despite a mutated 6.9% growth clocked by the PV segment in FY2009. Thus, an increase in the client base helped the company to clock a better volume growth during the mentioned period. Going ahead, we believe that the PV Segment has a decent growth visibility, primarily driven by Small cars. Besides, the government and industry majors are also laying emphasis on making India a 'Small car manufacturing hub'. On the Exports front, there are enormous opportunities to capitalise on, as India enjoys the advantage of being a low-cost car manufacturing centre. Hence, on the back of an optimistic outlook for the Auto Component Sector, we have modeled a 19.1% CAGR in the company's Revenues over FY2009-11E.

**Exhibit 9: Revenue Growth**

| Y/E March (Rs cr) | FY2007 | FY2008 | FY2009 | FY2010E | FY2011E |
|---|---|---|---|---|---|
| Air Conditioning System-Auto | 634.7 | 644.5 | 730.0 | 929.4 | 1,032.5 |
| Ventilator-Fan Motor Assembly | 95.0 | 99.3 | 24.4 | 30.9 | 34.0 |
| Others | 25.2 | 30.3 | 32.2 | 35.0 | 35.0 |
| **Total Gross Sales** | **754.9** | **774.1** | **786.6** | **995.3** | **1,101.5** |
| **Yoy Growth (%)** | | | | | |
| *Air Conditioning System-Auto* | *13.7* | *1.5* | *13.3* | *27.3* | *11.1* |
| *Ventilator-Fan Motor Assembly* | *34.6* | *4.5* | *(75.5)* | *26.7* | *10.0* |
| *Others* | *(10.7)* | *20.2* | *6.1* | *8.8* | *-* |
| **% of Total Gross Sales** | | | | | |
| Air Conditioning System-Auto | 84.1 | 83.3 | 92.8 | 93.4 | 93.7 |
| Ventilator-Fan Motor Assembly | 12.6 | 12.8 | 3.1 | 3.1 | 3.1 |
| Others | 3.3 | 3.9 | 4.1 | 3.5 | 3.2 |

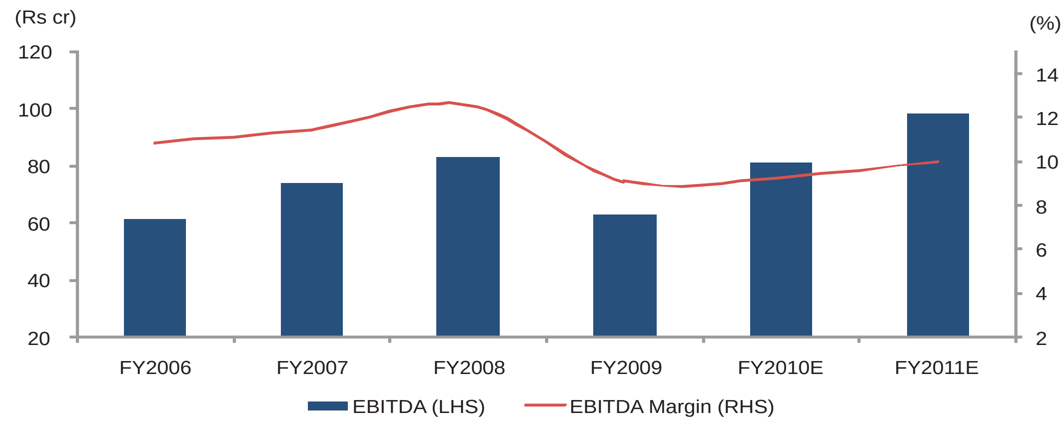
*Source: Company, Angel Research*

### OPM to improve on cost rationalisation measures

***Value-added products, higher operating efficiencies, in addition to the positive demand outlook, will result in an improvement in the company's EBITDA Margin by 90-100bps by FY2011E***

The company registered a substantial 350bp yoy dip in its Operating Margin in FY2009, primarily due to volatile forex rates and the increase in the prices of key raw materials. Over the past two years, the company's Margins have been reeling under pressure from rising raw material costs. Against the backdrop of high prices and cost optimisation pressures from OEMs, the management has been constantly focusing on cost rationalisation measures to improve efficiencies. In line with this, the company has been pro-actively making efforts to localise the production of critical components, in its bid to reduce its imports. Thus, we believe that the value-added products, higher operating efficiencies, in addition to the positive demand outlook, will result in an improvement in the company's EBITDA Margin by 90-100bps by FY2011E.

**Exhibit 10: EBITDA Margin Trend**



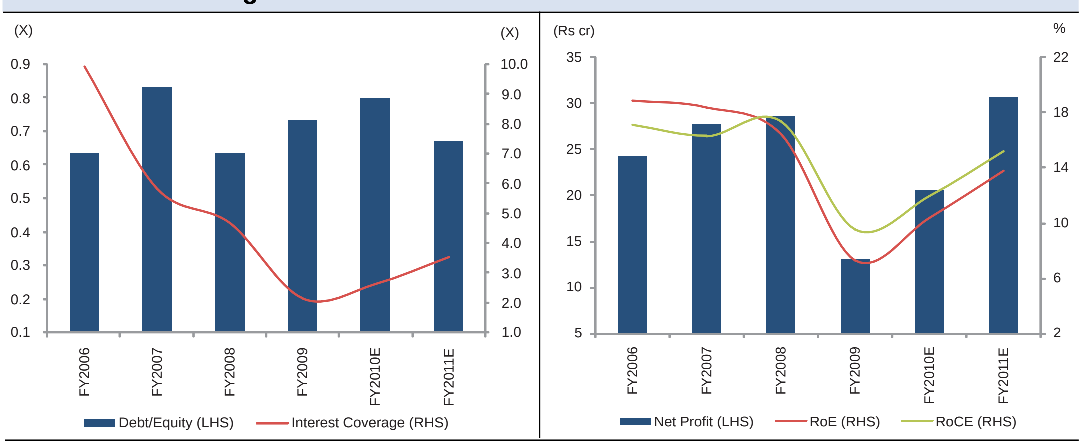

*Source: Company, Angel Research*

## NPMs to improve, driven by volumes and optimum capacity utilisation

***We expect the company to report a 51.5% CAGR in its Bottom-line over FY2009-11E, and expect the NPM to improve by a healthy 46bp and 117bp in FY2010E and FY2011E, respectively***

On the Earnings front, we expect the company to report a 51.5% CAGR in its Bottom-line over FY2009-11E, aided by healthy Top-line growth and an expansion in the EBITDA Margin. The company's capacity expansion from 0.5mn in FY2005 to 0.75mn in FY2007 was not matched with a commensurate increase in the Top-line, resulting in a decline in the Bottom-line in FY2008 and FY2009. However, going ahead, we expect the Net Profit Margin (NPM) to improve by a healthy 46bp and 117bp in FY2010E and FY2011E, respectively, driven by Volumes and Optimum capacity utilisation. We also believe that the company is well placed to fund its expansion plans, on account of a low gearing of 0.7x in FY2009. We have modeled Rs70-80cr towards capex over the next two years, facilitated by a partial leveraging of approximately Rs25cr in FY2010E, coupled with internal accruals. The company's financials and liquidity position continue to remain strong and add to its liquid fund balance, going ahead.

**Exhibit 11: Gearing and Return Ratios**




*Source: Company, Angel Research*

## Risks and Concerns

- Volatile forex rates and balloning raw material prices have considerably dented the company's profits in the past two years. Hence, any unforeseen increase in raw materials costs, such as steel, aluminium and copper, could adversely impact the company's Bottom-line.
- The Auto Ancillary industry is completely dependent on the growth of the OEM industry, which is dependent on consumer discretionary-spending patterns. Hence, the business is exposed to macroeconomic risks.
- With the onset of international automobile players in the domestic market, the Automotive AC industry is expected to see major cost and capacity pressures in the coming years.
- Margins would be under pressure if the players are unable to pass on unprecedented increases in input costs.

## Outlook and Valuation

The company has seen a sharp run-up in its stock price in the past quarter, supported by improving business fundamentals. The management is sanguine about the company's future performance, on the back of improving demand, effective cost management and emerging opportunities. We expect the company to post a 16% CAGR in Volumes over FY2009-11E, in view of the increasing requirements of its OEM customers like Maruti and Tata Motors, and with potential new client wins from the PV and CV Segments from the domestic as well as international markets. However, though Volumes are expected to clock positive growth going ahead, we expect realisations to be under stress due to the increasing pricing pressure, on account of intensifying competition in the Auto Air-conditioning industry. Overall, we expect the margins to show a reasonable spurt from the current levels, based on improving input cost scenarios and optimum capacity utilisation, leading to our positive view on the stock.

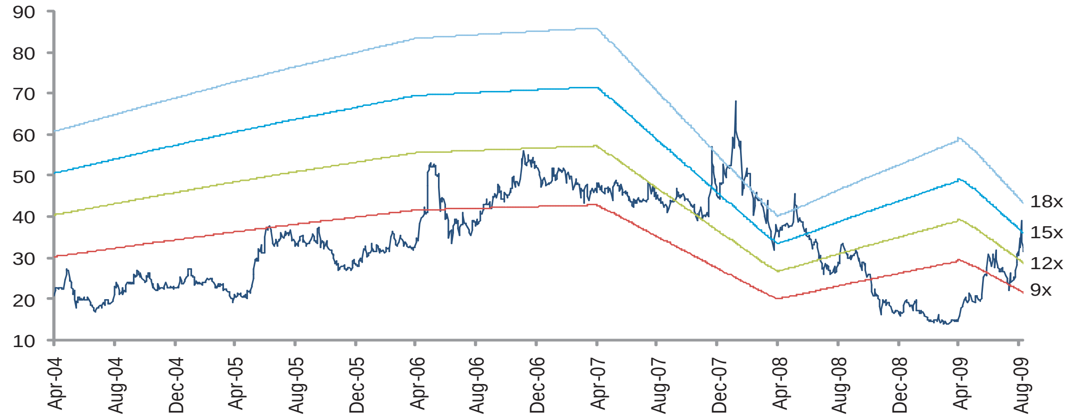
**Exhibit 12: Comparative Valuations**

| Company | Reco | CMP (Rs) | Target Price(Rs) | EPS (Rs) FY2010E | EPS (Rs) FY2011E | P/E (Rs) FY2010E | P/E (Rs) FY2011E | EV/EBITDA (x) FY2010E | EV/EBITDA (x) FY2011E | RoE (%) FY2010E | RoE (%) FY2011E | RoCE (%) FY2010E | RoCE (%) FY2011E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Subros** | **Buy** | 40 | 50 | 3.4 | 5.0 | 11.7 | 8.0 | 4.9 | 3.9 | 10.4 | 13.5 | 11.9 | 15.0 |
| **Sona Koyo** | **Neutral** | 15 | - | 0.7 | 1.5 | 21.7 | 10.1 | 7.6 | 5.5 | 7.9 | 14.7 | 10.1 | 14.7 |
| **Rico Auto** | **Accumulate** | 27 | 31 | 1.8 | 3.1 | 15.0 | 8.7 | 5.3 | 4.6 | 7.4 | 12.0 | 8.3 | 10.3 |

*Source: Company, Angel Research; Note: Market Price as of 18 September, 2009.*

At Rs40, Subros is reasonably valued compared to its peers in the midcap space. If we compare Subros with the companies which are highly dependent on 3-4 clients and/or are manufacturing products for the PV segment, then the stock is trading at discount to its peers. The company's prospects appear bright and we believe that the growth initiatives will help its valuation in catching up with its peers, in the medium-term.

**Exhibit 13: One-year forward P/E Band**




*Source: C-line, Angel Research*

We upgrade our Earnings estimates of FY2011E to Rs5.0 (Rs4.6 earlier) based on a positive outlook and the improving performance of the core business. At the CMP, the stock is trading at 8.0x FY2011E Earnings. **We maintain a Buy view on the stock, with a revised Target Price of Rs50 (Rs37 earlier), at which the stock would trade at 10x (8x earlier) FY2011E earnings .**

## Profit & Loss Statement

Rs crore

| Y/E March | FY2008 | FY2009 | FY2010E | FY2011E |
|---|---|---|---|---|
| **Net Sales** | **662.7** | **694.5** | **880.8** | **984.6** |
| *% chg* | *2.4* | *4.8* | *26.8* | *11.8* |
| Total Expenditure | 579.4 | 631.3 | 799.4 | 886.1 |
| **EBIDTA** | **83.4** | **63.2** | **81.4** | **98.5** |
| *(% of Net Sales)* | *12.6* | *9.1* | *9.2* | *10.0* |
| Other Income | 1.2 | 1.6 | 2.0 | 2.0 |
| Depreciation& Amortisation | 32.5 | 31.6 | 37.1 | 41.0 |
| Interest | 10.9 | 14.6 | 16.8 | 16.5 |
| **PBT** | **41.1** | **18.6** | **29.5** | **43.0** |
| *(% of Net Sales)* | *6.2* | *2.7* | *3.4* | *4.4* |
| Extraordinary Expense/(Inc.) | - | 0.3 | - | - |
| Tax | 12.5 | 5.2 | 8.9 | 12.9 |
| *(% of PBT)* | *30.4* | *27.8* | *30.1* | *30.1* |
| **PAT** | **28.6** | **13.4** | **20.6** | **30.0** |
| *% chg* | *1.7* | *(53.2)* | *53.8* | *45.6* |
| **Adj. PAT** | **28.6** | **13.1** | **20.6** | **30.0** |
| *% chg* | *2.9* | *(54.3)* | *57.6* | *45.6* |

## Balance Sheet

Rs crore

| Y/E March | FY2008 | FY2009 | FY2010E | FY2011E |
|---|---|---|---|---|
| **SOURCES OF FUNDS** | | | | |
| Equity Share Capital | 12.0 | 12.0 | 12.0 | 12.0 |
| Reserves& Surplus | 162.1 | 172.0 | 187.2 | 210.5 |
| **Shareholders Funds** | **174.1** | **184.0** | **199.2** | **222.5** |
| Total Loans | 111.0 | 135.0 | 160.0 | 150.0 |
| Deferred Tax Liability (net) | 7.5 | 11.7 | 11.7 | 11.7 |
| **Total Liabilities** | **292.6** | **330.6** | **370.8** | **384.2** |
| **APPLICATION OF FUNDS** | | | | |
| Gross Block | 363.1 | 436.3 | 494.8 | 550.0 |
| Less: Acc. Depreciation | 194.2 | 217.6 | 254.7 | 295.7 |
| **Net Block** | **169.0** | **218.7** | **240.2** | **254.4** |
| Capital Work-in-Progress | 39.7 | 38.2 | 39.6 | 27.5 |
| **Investments** | **-** | **0.4** | **0.5** | **0.6** |
| Current Assets | 150.7 | 181.7 | 200.3 | 215.7 |
| Current liabilities | 66.8 | 108.5 | 109.7 | 113.9 |
| **Net Current Assets** | **83.9** | **73.2** | **90.6** | **101.7** |
| **Total Assets** | **292.6** | **330.6** | **370.8** | **384.2** |

## Cash Flow Statement

Rs crore

| Y/E March | FY2008 | FY2009 | FY2010E | FY2011E |
|---|---|---|---|---|
| Profit before tax | 41.1 | 18.6 | 29.5 | 43.0 |
| Depreciation | 32.5 | 31.6 | 37.1 | 41.0 |
| (Inc)/Dec in Working Capital | 11.5 | 21.0 | (21.4) | 1.3 |
| Interest (Net) | 10.9 | 14.6 | 16.8 | 16.5 |
| Direct taxes paid | 12.5 | 5.2 | 8.9 | 12.2 |
| Other Current Assets | 1.6 | (0.8) | (7.0) | (6.2) |
| **Cash Flow from Operations** | **85.1** | **79.8** | **46.1** | **83.4** |
| Inc./ (Dec.) in Fixed Assets | 48.8 | 71.7 | 59.9 | 43.1 |
| **Free Cash Flow** | **36.3** | **8.1** | **(13.8)** | **40.3** |
| (Inc)/Dec in Investments | - | (0.4) | (0.1) | (0.1) |
| Others | (4.7) | (7.7) | - | (0.1) |
| Issue of Equity | - | - | - | - |
| Inc./(Dec.) in loans | (15.1) | 24.0 | 25.0 | (10.0) |
| Dividend Paid (Incl. Tax) | 5.6 | 5.6 | 3.5 | 4.2 |
| Interest Paid | 10.9 | 14.6 | 16.8 | 16.5 |
| **Cash Flow from Financing** | **(31.6)** | **3.7** | **4.7** | **(30.7)** |
| Inc./(Dec.) in Cash | (0.0) | 3.8 | (9.2) | 9.4 |
| **Opening Cash balances** | **7.7** | **7.6** | **11.4** | **2.2** |
| **Closing Cash balances** | **7.6** | **11.4** | **2.2** | **11.7** |

## Key Ratios

| Y/E March | FY2008 | FY2009 | FY2010E | FY2011E |
|---|---|---|---|---|
| **Per Share Data (Rs)** | | | | |
| EPS | 4.8 | 2.2 | 3.4 | 5.0 |
| Cash EPS | 10.2 | 7.5 | 9.6 | 11.8 |
| DPS | 0.8 | 0.5 | 0.6 | 0.8 |
| Book Value | 29.0 | 30.7 | 33.2 | 37.1 |
| **Operating Ratio (%)** | | | | |
| Inventory (days) | 50.9 | 44.9 | 43.2 | 43.1 |
| Debtors (days) | 14.0 | 29.3 | 24.3 | 18.3 |
| Creditors (days) | 31.7 | 53.9 | 43.1 | 39.4 |
| **Returns (%)** | | | | |
| RoE | 16.4 | 7.3 | 10.4 | 13.5 |
| RoCE | 17.4 | 9.6 | 11.9 | 15.0 |
| Dividend Payout | 16.8 | 22.4 | 17.5 | 16.0 |
| **Valuation Ratios (x)** | | | | |
| P/E | 8.4 | 18.0 | 11.7 | 8.0 |
| P/E (Cash EPS) | 3.9 | 5.4 | 4.2 | 3.4 |
| P/BV | 1.4 | 1.3 | 1.2 | 1.1 |
| EV / Sales | 0.4 | 0.5 | 0.4 | 0.3 |
| EV / EBITDA | 4.1 | 5.8 | 4.9 | 3.9 |

| | | |
|---|---|---|
| Fund Management & Investment Advisory | (☎ 022 - 3952 4568) | |
| P. Phani Sekhar | Fund Manager - (PMS) | phani.sekhar@angeltrade.com |
| Siddharth Bhamre | Head - Derivatives and Investment Advisory | siddharth.bhamre@angeltrade.com |
| Devang Mehta | AVP - Investment Advisory | devang.mehta@angeltrade.com |
| Research Team | (☎ 022 - 3952 4568) | |
| Hitesh Agrawal | Head - Research | hitesh.agrawal@angeltrade.com |
| Sarabjit Kour Nangra | VP-Research, Pharmaceutical | sarabjit@angeltrade.com |
| Vaibhav Agrawal | VP-Research, Banking | vaibhav.agrawal@angeltrade.com |
| Vaishali Jajoo | Automobile | vaishali.jajoo@angeltrade.com |
| Harit Shah | IT, Telecom | harit.shah@angeltrade.com |
| Shailesh Kanani | Infrastructure, Real Estate | shailesh.kanani@angeltrade.com |
| Anand Shah | FMCG , Media | anand.shah@angeltrade.com |
| Deepak Pareek | Oil & Gas | deepak.pareek@angeltrade.com |
| Puneet Bambha | Capital Goods, Engineering | puneet.bambha@angeltrade.com |
| Sushant Dalmia | Pharmaceutical | sushant.dalmia@angeltrade.com |
| Param Desai | Logistics, Shipping | paramv.desai@angeltrade.com |
| Sageraj Bariya | Fertiliser, Mid-cap | sageraj.bariya@angeltrade.com |
| Viraj Nadkarni | Retail | virajm.nadkarni@angeltrade.com |
| Jai Sharda | Mid-cap | jai.sharda@angeltrade.com |
| Amit Vora | Research Associate (Oil & Gas) | amit.vora@angeltrade.com |
| Laxmikant Waghmare | Research Associate (Metals & Mining, Cement) | laxmikant.w@angeltrade.com |
| V Srinivasan | Research Associate (Power, Mid-cap) | v.srinivasan@angeltrade.com |
| Aniruddha Mate | Research Associate (Infra, Real Estate) | aniruddha.mate@angeltrade.com |
| Shreya Gaunekar | Research Associate (Automobile) | shreyap.gaunekar@angeltrade.com |
| Mihir Salot | Research Associate (Logistics, Shipping) | mihirr.salot@angeltrade.com |
| Jaya Agrawal | Jr. Derivative Analyst | Jaya.agarwal@angeltrade.com |
| Amit Bagaria | PMS | amit.bagaria@angeltrade.com |
| Sandeep Wagle | Chief Technical Analyst | sandeep@angeltrade.com |
| Ajit Joshi | AVP Technical Advisory Services | ajit.joshi@angeltrade.com |
| Brijesh Ail | Manager - Technical Advisory Services | brijesh@angeltrade.com |
| Vaishnavi Jagtap | Sr. Technical Analyst | vaishnavi.jagtap@angeltrade.com |
| Milan Sanghvi | Sr. Technical Analyst | milan.sanghvi@angeltrade.com |
| Mileen Vasudeo | Technical Analyst | vasudeo.kamalakant@angeltrade.com |
| Krunal Dayma | Technical Analyst | krunal.dayma@angeltrade.com |
| Sanket Padhye | AVP Mutual Fund | sanket.padhye@angeltrade.com |
| Pramod Rathod | Research Associate (MF) | pramod.rathod@angeltrade.com |
| Poonam Jangid | Research Associate (MF) | poonam.jangid@angeltrade.com |
| Commodities Research Team | | |
| Amar Singh | Research Head (Commodities) | amar.singh@angeltrade.com |
| Samson P | Sr. Technical Analyst | samsonp@angeltrade.com |
| Anuj Gupta | Sr. Technical Analyst | anuj.gupta@angeltrade.com |
| Girish Patki | Sr. Technical Analyst | girish.patki@angeltrade.com |
| Abhishek Chauhan | Technical Analyst | abhishek .chauhan@angeltrade.com |
| Commodities Research Team (Fundamentals) | | |
| Badruddin | Sr. Research Analyst (Agri) | badruddin@angeltrade.com |
| Reena Walia | Research Analyst ( Base Metals, Energy Complex) | reena.walia@angeltrade.com |
| Vedika Narvekar | Research Analyst ( Agri) | vedika.narvekar @angeltrade.com |
| Nalini Rao | Research Analyst (Agri) | nalini.rao@angeltrade.com |
| Bharathi Shetty | Research Editor | bharathi.shetty@angeltrade.com |
| Dharmil Adhyaru | Assistant Research Editor | dharmil.adhyaru@angeltrade.com |
| Bharat Patil | Production | bharat.patil@angeltrade.com |
| Dilip Patel | Production | dilipm.patel@angeltrade.com |

Research & Investment Advisory: Acme Plaza, 3rd Floor 'A' wing, M.V. Road, Opp Sangam Cinema, Andheri (E), Mumbai - 400 059



| | | | |
|---|---|---|---|
| Ratings (Returns) : | Buy (Upside > 15%) | Accumulate (Upside upto 15%) | Neutral (5 to -5%) |
| | Reduce (Downside upto 15%) | Sell (Downside > 15%) | |

| | | | |
|---|---|---|---|
| Corporate & Marketing Office | : | 612, Acme Plaza, M.V. Road, Opp Sangam Cinema, Andheri (E), Mumbai - 400 059 | Tel : (022) 3941 3940 / 4000 3600 |
| NRI Helpdesk | : | e-mail : nri@angeltrade.com | Tel : (022) 4000 3622 / 4026 2700 |
| Investment Advisory Helpdesk | : | e-mail : advisory@angeltrade.com | Tel : (022) 3958 4000 |
| Commodities | : | e-mail : commodities@angeltrade.com | Tel : (022) 3081 7400 |
| PMS | : | e-mail : pmshelpdesk@angeltrade.com | Tel: (022) 3953 2800 |
| Feedback | : | e-mail : feedback@angeltrade.com | Tel : (022) 2835 5000 |

Regional Offices:

| | | | |
|---|---|---|---|
| **Ahmedabad -** Tel: (079) 3941 3940 | **Indore -** Tel: (0731) 3941 394 | **Nagpur -** Tel: (0712) 3941 394 | **Rajkot -** Tel :(0281) 3941 394 |
| **Bengaluru -** Tel: (080) 3941 3940 | **Jaipur -** Tel: (0141) 3941 394 | **Nashik -** Tel: (0253) 3941 394 | **Surat -** Tel: (0261) 3941 394 |
| **Chennai -** Tel: (044) 3941 3940 | **Kanpur -** Tel: (0512) 3941 394 | **Mumbai (Goregoan)** Tel: (022) 2879 0411-15 | **Visakhapatnam -** Tel :(0891) 3941 394 |
| **Cochin -** Tel: (0484) 3941 394 | **Kolkata -** Tel: (033) 3941 3940 | **Mumbai (Powai) -** Tel: (022)3952 6500 | |
| **Coimbatore -** Tel: (0422) 3941 394 | **Lucknow -** Tel: (0522) 3941 394 | **New Delhi -** Tel: (011) 3941 3940 | |
| **Hyderabad -** Tel: (040) 3941 3940 | **Ludhiana -** Tel: (0161) 3941 394 | **Pune -** Tel: (020) 3941 3940 | |

Private Client Group Offices: | Sub - Broker Marketing:

| | | | |
|---|---|---|---|
| **Ahmedabad (C. G. Road) -** Tel: (079) 3982 9934 | **Surat -** Tel: (0261) 3071 600 | **Rajkot (Race course) -** Tel: (0281) 2490 847 | **Powai -** Tel: (022) 3952 6500 |

Branch Offices:

| | | | |
|---|---|---|---|
| **Andheri** (Lokhandwala) - Tel: (022) 2639 2626 | **Ahmeda. (Ramdevnagar) -** Tel : (079) 4024 3842 / 43 | **Jaipur - (Rajapark)** Tel: (0141) 3057 900 / 99833 40004 | **Pune (Aundh) - Tel: (020) 4104 1900** |
| **Andheri (W)** - Tel: (022) 2635 2345 / 6668 0021 | **Ahmedabad (Sabarmati) -** Tel : (079) 3091 6100 / 01 | **Jalgaon -** Tel: (0257) 2234 832 | **Pune (Camp) -** Tel: (020) 3092 1800 |
| **Bandra (W) -** Tel: (022) 2655 5560 / 70 | **Ahmedabad (Satellite) -** Tel: (079) 4000 1000 | **Jamnagar(Indraprashta) -** Tel: (0288) 3941 394 | **Pune - (kalyani Nagar)** Tel: (020) 6620 6591 / 6620 6595 |
| **Bandra (W) -** Tel: (022) 6643 2694 - 99 | **Ahmedabad (Shahibaug)** -Tel: (079)3091 6800 / 01 | **Jamnagar (Cross Word) -** Tel: (0288) 2751 118 | **Pune (Kothrud)** Tel: (020) 4104 5400 |
| **Borivali (W) -** Tel: (022) 3952 4787 | **Amreli -** Tel: (02792) 228 800/231039-42 | **Jamnagar (Moti Khawdi) -** Tel: (0288) 2846 026 | **Rajamundhry -** Tel: (0883) 3941 394 |
| **Borivali** (Punjabi Lane) - Tel: (022) 3951 5700. | **Amritsar -** Tel: (0183) 3941 394 | **Jamnagar(Madhav Plaza) -** Tel: (0288) 2665 708 | **Rajkot (Ardella)** Tel.: (0281) 2926 568 |
| **Chembur (Swastik) -** Tel: (022) 6703 0210 / 11 /12 | **Anand -** Tel : (02692) 398 400 / 3 | **Jodhpur -** Tel: (0291) 3941 394 / 99280 24321 | **Rajkot (University Rd.) -** Tel: (0281) 2331 418 |
| **Chembur - (Basant) -** Tel:(022) 022) 6156 1111 / 01 | **Ankleshwar -** Tel: (02646) 398 200 | **Junagadh -** Tel : (0285) 3941 3940 | **Rajkot - (Bhakti Nagar)** Tel: (0281) 2361 935 |
| **Fort -** Tel: (022) 3958 1887 | **Baroda -** Tel: (0265) 6635 100 / 2226 103 | **Keshod -** Tel: (02871) 234 027 / 233 967 | **Rajkot - (Indira circle)** Tel : 99258 84848 |
| **Ghatkopar (E) -** Tel: (022) 3955 8400/2510 1525 | **Baroda (Akota) -** Tel: (0265) 2355 258 / 6499 286 | **Kolhapur -** Tel: (0231) 6632 000 | **Rajkot (Orbit Plaza) -** Tel: (0281) 3983 485 |
| **Kalbadevi -** Tel: (022) 2243 5599 / 2242 5599 | **Baroda (Manjalpur) -** Tel: (0265) 6454280-3 | **Kolkata (N. S. Rd) -** Tel: (033) 3982 5050 | **Rajkot (Pedak Rd) -** Tel: (0281) 3985 100 |
| **Kandivali (W) -** Tel: (022) 2867 3800/2867 7032 | **Bengaluru -** Tel: (080) 4072 0800 - 29 | **Kolkata (P. A. Shah Rd) -** Tel: (033) 3001 5100 | **Rajkot (Ring Road)-** Mobile: 99245 99393 |
| **Kandivali -** Tel: (022) 4245 1300 | **Bhavnagar -** Tel: (0278) 3941 394 | **Kota** - Tel : (0744) 3941 394 | **Rajkot (Star Chambers) -** Tel : (0281)3981 200 |
| **Malad (E) -** Tel: (022) 2880 4440 | **Bhavnagar (Shastrinagar)-** Mobile: 92275 32302 | **Madurai** Tel: (0452) 3941 394 | **Rajkot - (Star Chambers) -** Tel : (0281) 2225 401-3 |
| **Malad (Natraj Market) -** Tel:(022) 28803453 / 24 | **Bhilwara -** (01482) 398 350 | **Mangalore -** Tel: (0824) 3982 140 | **Salem -** Tel: (0427) 3941 394 |
| **Masjid Bander -** Tel: (022) 2345 5130 /1 / 8 / 42 /28 | **Bhopal -** Tel :(0755) 3941 394 | **Mansarovar -** Tel:(0141) 3057 700/99836 74600 | **Secunderabad -** Tel : (040) 3093 2600 |
| **Mulund (W) -** Tel: (022) 2562 2282 | **Bikaner -** Tel: (0151) 3941 394 / 98281 03988 | **Mehsana -** Tel: (02762) 645 291 / 92 | **Surat (Mahidharpura) -** Tel: (0261) 3092 900 |
| **Nerul -** Tel: (022) 2771 9012 - 17 | **Chandigarh -** Tel: (0172) 3092 700 | **Mysore -** Tel: (0821) 4004 200 - 30 | **Surat - (Parle Point) -** Tel : (0261) 3091 400 |
| **Powai (E) -** Tel: (022) 3952 5887 | **Deesa -** Mobile: 97250 01160 | **Nadiad -** Tel : (0268) - 2527 230 / 34 | **Surat (Ring Road) -** Tel : (0261) 3071 600 |
| **Sion -** Tel: (022) 3952 7891 | **Erode -** Tel: (0424) 3982 600 | **Nagaur -** Tel: (01582) 244 648 | **Surendranagar -** Tel : (02752) 223305 |
| **Thane (W) -** Tel: (022) 2539 0786 / 0650 / 1 | **Faridabad -** Tel: (0129) 3984 000 | **Nashik -** Tel: (0253) 3011 500 / 1 / 11 | **Tirupur -** (0421) 4302 800 |
| **Vashi -** Tel: (022) 2765 4749 / 2251 | **Gajuwaka -** Tel: (0891) 3987 100 - 30 | **New Delhi (Bhikaji Cama) -** Tel: (011) 41659711 | **Udaipur -** (0294) 3941 394 |
| **Vile Parle (W) -** Tel: (022) 2610 2894 / 95 | **Gandhinagar -** Tel: (079) 4010 1010 - 31 | **New Delhi (Lawrence Rd.) -** Tel: (011) 3262 8699 / 8799 | **Valsad -** Tel - (02632) 645 344 / 45 |
| **Wadala -** Tel: (022) 2414 0607 / 08 | **Gandhidham -** Tel: (02836) 237 135 | **New Delhi (Pitampura) -** Tel: (011) 4751 8100 | **Vapi -** Tel: (0260) 3941 394 |
| **Agra** - Tel: (0562) 4037200 | **Gondal -** Tel: (02825) 398 200 | **New Delhi (Nehru Place) -** Tel: (011) 3982 0900 | **Varachha -** (0261) 3091 500 |
| **Ajmer -** Tel: (0145) 3941 394 | **Ghaziabad -** Tel: (0120) 3980 800 | **New Delhi (Preet Vihar) -** Tel: (011) 4310 6400 | **Varanasi -** Tel: (0542) 2221 129, 3058 066 |
| **Alwar -** Tel: (0144) 3941 394 / 99833 60006 | **Gurgaon -** Tel: (0124) 3050 700 | **Noida -** Tel : (0120) 4639 900 / 1 / 9 | **Vijayawada -** Tel :(0866) 3984 600 |
| **Ahmeda. (Bapu Nagar) -** Tel : (079) 3091 6900 - 02 | **Himatnagar -** Tel: (02772) 241 008 / 241 346 | **Palanpur -** Tel: (02742) 308 060 - 63 | **Warangal -** Tel: (0870) 3982 200 |
| **Ahmedabad (C. G. Road) -** Tel: (079) 4021 4023 | **Hyderabad -** A S Rao Nagar Tel: (040) 4222 2070-5 | **Patan -** Tel: (02766) 222 306 | |
| **Ahmeda. (Gurukul) -** Tel: (079) 3011 0800 / 01 | **Hubli -** Tel: (0836) 4267 500 - 22 | **Porbandar -** Tel : (0286) 3941 394 | |
| **Ahmedabad (Kalupur) -** Tel: (079) 3041 4000 / 01 | **Indore -** Tel: (0731) 3049 400 | **Porbandar (Kuber Life Style) -** Mob.-98242 53737 | |
| **Ahmedabad (Maninagar) -** Tel: (079) 3981 7430 / 1 | **Indore -** Tel: (0731) 4238 600 | **Pune - (Pentagon)** Tel : (020) 3093 4400 / 3052 3217 | |

**Central Support & Registered Office:G-1, Akruti Trade Centre, Road No. 7, MIDC Marol, Andheri (E), Mumbai - 400 093 Tel : 2835 8800 / 3083 7700**