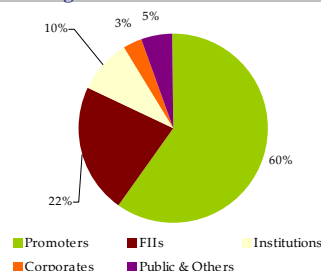


**Key Share Data**

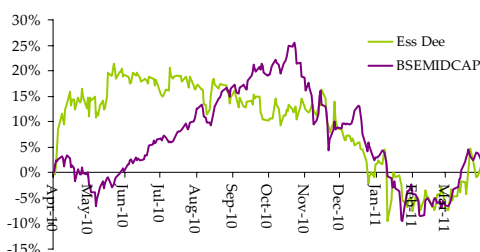
Face Value (₹)	10
Equity Capital (₹ mn)	320.5
Market Capitalization (₹ mn)	14080
52-wk High / Low (₹)	535/379
Average Daily Volume	22283
BSE code	532787
NSE code	ESSDEE
Reuters code	ESDA.BO
Bloomberg code	EDA IN

**Shareholding Pattern – March 31, 2011**

**Consolidated Financials (₹ mn)**

	FY10	FY11E	FY12E	FY13E
Net Sales	5884.5	8089.7	10741.9	11867.8
Sales Gr	30.3%	37.5%	32.8%	10.5%
EBIDTA	1576.1	2265.1	3007.1	3323.0
PAT	-908.2	1634.0	2248.4	2507.7
PAT Gr	-278.6%	279.9%	37.6%	11.5%
EPS (₹)	-32.6	51.0	70.2	78.2
CEPS (₹)	-26.4	57.1	76.0	83.8

**Key Financial Ratios**

	FY10	FY11E	FY12E	FY13E
Int Cover (x)	7.1	9.7	10.8	10.9
P/E (x)	--	8.6	6.3	5.6
P/BV (x)	2.4	1.9	1.5	1.2
P/Cash EPS	--	7.7	5.8	5.3
MCap/Sales	2.1	1.7	1.3	1.2
EV/EBIDTA	26.8	10.0	6.9	5.4
ROCE	20.7%	23.3%	23.8%	21.7%
ROE	-17.9%	22.3%	23.7%	21.1%
EBITDM(%)	26.8%	28.0%	28.0%	28.0%
NPM (%)	-15.4%	20.2%	20.9%	21.1%
Debt-Equity	0.4	0.2	0.2	0.2

**Performance comparison Ess Dee v/s BSE Midcap**


Source: Capitaline

**Analyst: Vineet P. Agrawal**

Tel No.: +91 22 2281 9012; Mobile: +91 9819510575

Email: vineet.agrawal@skpmoneywise.com

Ess Dee Aluminium Ltd. (Ess Dee) is focusing on pharmaceutical packaging and has a core competency in aluminium foil based packaging products. It also caters to FMCG and food sector. It is the largest manufacturer of aluminium foil based packaging products in India with the market share of around 20%. The current capacity of the company is 37,000 MTPA which will increase to 52,000 MTPA after the commissioning of ongoing expansion at Daman. The company also has a presence in international markets with its direct exports contributing around 20% in the total revenue.

**Investment Rationale**
**Increasing capacity to meet growing demand**

- As per the estimates of Ministry of Commerce a significant amount of USD 6.31 mn is expected to be invested in the Indian pharma industry, which will in turn boost the demand for pharma packaging.
- Foreseeing this, Ess Dee is undergoing a brownfield capacity expansion plan at Daman to cater the growing demand, with the estimated cost of ₹ 3.5 bn.
- This expansion is expected to increase the capacity of the company from current 37,000 MTPA to 52,000 MTPA by the end of FY13.

**Topline to grow at a CAGR of whopping 30% during the next 2-3 years:**

- Topline of Ess Dee has grown with the CAGR of 56% in the past three years. It is further expected to grow by 30% in 2-3 years. The demand drivers are-
  - growing pharmaceutical industry and;
  - growing packaged food industry with rising income levels of middle class and penetration of organized retail in Tier –II and Tier – III cities.

**Revival of caster plant – reducing dependence on GARMCO:**

- Ess Dee has recently revived its unit at Hoera, Kolkata which also have the caster plant with the capacity of 11,000 MTPA, which converts aluminium INGOTS to aluminium foil sheets.
- The company imports 100% of aluminium foil stock to meet its requirement from GARMCO, Bahrain, which makes the company highly dependent on GARMCO.
- The revival will reduce the dependency of Ess Dee on GARMCO.

**Outlook & Recommendation**

We expect packaging industry to see robust growth in the near future with the growth in pharma, food and FMCG sector. Brand functioning, budgeted spending, growing retail and health consciousness of people will encourage pharma and FMCG companies to look for effective and economical packaging for their products.

At the current market price of ₹ 440 the stock seems to be undervalued based on discounted free cash flow approach. **We recommend BUY rating on the stock with a target price of ₹581/- (32% upside) in 18 months.**

## The Company: An Introduction

Ess Dee Aluminum Ltd (Ess Dee) was established in 1991 for making sachets for Oral Rehydration Powders. Today, it is the market leader in the organized segment in India, mainly focused at pharmaceutical packaging with the core competency in aluminium packaging, with the estimated market share of around 20%.

It is the first company in India to manufacture dedicated high end pharmaceutical packaging products like cold form blisters and child resistant blister packaging. The Company provides tailor made aluminium foil based flexible packaging laminates and polyvinyl chloride (PVC) & polyvinylidene dichloride (PVDC) coated PVC based thermoforming solutions.

Ess Dee has also forayed in to specialized packaging, catering to food and FMCG sector. It has also established its presence in prophylactics segment and provides specialized aluminium foil based laminates for large contraceptive brands. Its facilities at Daman are approved by contraceptive manufacturing companies like TTK and Hindustan Latex. The products of the company can be broadly categorized as below:

Products	Types	Applications	Industry	Components
Blister Packaging	clear thermoformed plastic cavity with aluminium foil lid	packaging of non sensitive drug which do not need much protection	Pharmaceutical Packaging	Aluminium Foil; <b>Nitrocelulose Coating:</b> applied after printing to ensure print from getting off Alu foil: <b>Vinyl Solution:</b> for seal ability
	Alu - Alu blister packs	packaging for high value medicine	Pharmaceutical Packaging	Aluminium foil at both ends
	PVDC coated PVC	packaging of mildly sensitive drugs such as antibiotics, anti tuberculosis drugs, vitamins, calcium, anti inflammatory drugs etc.	Pharmaceutical Packaging	PVDC is the most common coating over PVC in blister packaging because it can reduce the gas and moisture permeability
Strip Packaging	--	used for the packaging of light sensitive to mid sensitive drugs	Pharmaceutical Packaging	Aluminium Foil; <b>Nitrocelulose Coating:</b> applied after printing to ensure print from getting off Alu foil: <b>LDPE (Polythelene):</b> for seal ability
Alu Chocolate soft foil	--	for chocolate packaging	FMCG	Aluminium foil
Alu lidding foil	--	plain and printed aluminium foil for lids with varied range of containers used for packaging food and beverages	FMCG	--
Alu Cigarette foils	--	used in inner packaging of cigarette	FMCG	Aluminium foil laminated with paper
Alu Confectionary foil	--	suitable for packaging of bubble gum, chewing gum etc.	FMCG (Confectionary)	--
Alu Desert foil	--	suitable as protective wrapper of ice cream cones which can withstand deep freeze temperature	FMCG	--

Source: Company & SKP Research

- **Infrastructure:** Ess Dee follows Hub & Spoke model. It has 11 locations across India with two manufacturing hubs located at Daman & Kolkata and 9 spokes (printing units) located at Daman, Vasai, Goa, Sikkim, Baddi, Kamarati and Hoera. All the facilities are located close to its customer base ensuring tailor made offerings and lower inventory carrying cost.
- Ess Dee's state-of-the-art rolling mill at Daman has the installed capacity of 18,000 MTPA. The company is in the process of further adding 15,000 MTPA of aluminium foil capacity at Daman, which is expected to be commissioned by the end of FY13.
- The company recently merged its subsidiary – India Foils Ltd (IFL) - which has its manufacturing facilities at Kamarati (Kolkata) and Hoera (Kolkata) with the total installed capacity of 11,000 MTPA and 8,000 MTPA respectively. The merger has enhanced the total capacity of the company to 37,000 MTPA.
- Ess Dee also has its caster plant with the installed capacity of 11,000 MTPA at Hoera, wherein it converts aluminium INGOTS in aluminium foil sheets, which is the primary raw material for the company.
- The company also has a PVC film manufacturing unit at Goa with the total installed capacity of 4,200 MTPA.
- **Exports:** 20% of the production of Ess Dee is directly exported overseas whereas another 15% through its pharmaceutical customers (indirect export). Rest of its production is consumed in India.
- **Esteemed clients:** Reputed client base of Ess Dee includes Cadila, Glenmark, Sun Pharma, Reckitt Benkister, Ranbaxy Laboratories, Pfizer, Cipla, Dr. Reddy's Lab, Wockhardt, Novartis, Lupin, Cadbury, Nestle, HUL, TTK, Wrigley and many more.

## Raw Materials

### Aluminium:

- **Aluminium Foil Stock - the primary input:** The primary input for the manufacturing of aluminium packaging is aluminium foil stock which accounts for 85-90% in total operating cost.
- Ess Dee imports, food grade permissible, FDA approved, aluminium foil stock from Gulf Aluminium Rolling Mill Co (GARMCO), Bahrain. Ess Dee does not have any supply agreement with GARMCO.

### Others:

- Polyethelene films, Vinyl resin, PVDC coating, solvents etc are the other raw materials used by the company. These raw materials are either procured from domestic market or imported from the approved sources.

## Merger of India Foils Ltd (IFL) with Ess Dee

- IFL, erstwhile subsidiary of Ess Dee, got merged with the company in FY10 with effect from April 1, 2008; vide order dated September 30, 2010, of BIFR.
- Ess Dee issued 2.6 mn equity shares to the shareholders of IFL in agreement to the terms of share exchange ratio sanctioned by BIFR.
- **Rationale for merger:**
  - The business of Ess Dee and IFL are complimentary to each other.
  - Sizeable part of Ess Dee's requirement for aluminium foil stock – the primary raw material for the company – will be met by IFL's caster facility at Hoera, hence, saving operating cost.

### Current facilities of IFL:

Location	Capacities (MTPA)		Industry Served	Status
	Rolling Mill	Caster Plant		
Kamarhatti	11,000	-	Pharma	Operational
Hoera	8,000	11,000	Pharma	Operational
Taratalla	-	-	FMCG	Work Suspended
	<b>19,000</b>	<b>11,000</b>		

Source: Company

## Investment Rationale

### 1. Increasing Capacity to meet growing industry demand:

- According to IMS Health, for the full year 2010, the Indian Retail Pharmaceutical Market was valued at USD 10.2 billion, growing at 16.5% over 2009.
- As per the estimates of the Ministry of Commerce, Government of India, a whopping amount of USD 6.31 bn will be invested in the Indian pharmaceutical industry by 2015 which will in turn give rise to the demand for pharma packaging.
- Foreseeing the expected growth in the demand in the sector, Ess Dee has planned to increase its packaging capacity from 37,000 MTPA in FY10 to 52,000 MTPA by the end of FY13, at Daman, with the total estimated cost of Rs 3.5 bn.
- The Company has already raised Rs 860 mn from placement of equities through QIP and rest will be met from internal accruals.

### 2. Topline to grow at a CAGR of 30% during the next three years with growing user industry:

- Ess Dee's topline has seen handsome CAGR growth of 56% for the past three years. **Revenues posted by the company for FY10 was ₹5.4 bn, which we expect to touch ₹11.9 bn by the end of FY13 with the CAGR growth rate of 30% due to strong economical and industrial growth.**
- The growth will be fuelled by:

#### Growing Pharmaceutical industry:

- India is one of the fastest-growing pharmaceutical markets in the world, and its market size has nearly doubled since 2005. The Indian pharmaceutical market is

expected to reach US\$ 20 bn by 2015, with the CAGR of 12% during 2005-2015 and establish its presence among the world's leading 10 markets.

- As mentioned above a whopping amount of USD 6.31 bn will be invested in the Indian pharmaceutical industry by 2015. The growth drivers for the pharma industry are:
  - people are increasingly becoming health conscious, thus, giving boost to all type of medicines especially anti-biotic.
  - Manufacturing cost in India are approximately 35-40% than that in the US.
  - India tops the world in exporting generic medicines worth US\$ 11 billion and currently the Indian pharmaceutical industry is one of the world's largest and most developed. We expect the generics will continue to dominate the market with a CAGR growth rate of 17% 2010-13.
- ***We expect immense growth opportunities for the company, volume wise, as the 40-45% requirement of aluminium foil is met by imports, by the industry. The company sold 20,612 MT of aluminium foil packaging in FY10 which we expect to reach 35,150 MT by the end of FY13, the CAGR growth of 19%.***

#### **Growing Packaged Food Industry:**

- Ess Dee is also firming its foot in FMCG and retail industry. Here, the role of the packaging is multi-dimensional as it also enhances its product's brand recall and gives it a unique identity.
- The aluminium consumption in FMCG is primarily in processed food industry and personal care products. Indian processed food industry size is estimated at ₹ 2,800 bn, including ₹ 1,000 bn of value added products. Value addition of food products is expected to increase from the current 8 per cent to 35 per cent by the end of 2025.
- The highest share of processed food is in the dairy sector, where 37 per cent of the total produce is processed, of this only 15 per cent is processed by the organized sector.
- The food processing industry in the country is on track to ensure profitability in the coming decades. The sector is expected to attract phenomenal investments of about ₹ 1,400 billion in the next decade.
- Growth drivers for the industry are –
  - Rising income level of middle class
  - Penetration of organized retail in Tier – II and Tier – III cities. The segment is expected to grow at 30-35% in the next 3-4 years

***The plant in Daman also offers cost-effective aluminium foil based laminates to the food and FMCG industry.***

**3. Ess Dee's penetration in prophylactics segment – provides it with a huge opportunity:**

- Ess Dee has also established its presence in the prophylactics segment and wherein it provides specialized aluminium foil based laminates for large contraceptive brands.
- The Company's facility at Daman is approved by contraceptive manufacturing like TTK and Hindustan Latex.
- A recent Datamonitor report says that the global market is worth USD 8 bn and is growing at a rate of 19%. However, the domestic market is relatively small - about ₹ 950 mn. The market for contraceptives in the country is expected to see considerable growth within the next decade as new products are being lined up with the increasing awareness levels.
- *This creates a huge opportunity of Ess Dee domestically and abroad.*

**4. Revival of caster plant – turns Ess Dee a backward integrated company – reducing dependence on GARMCO:**

- Ess Dee has recently revived its Unit at Hoera, Kolkata, which also have the caster plant of 11,000 MTPA. This plant converts aluminium INGOTS into aluminium foil sheets, which is the major raw material for the company.
- Prior to the revival of this plant, the company was highly dependent upon GARMCO, Bahrain, for the procurement of food grade, FDA approved, aluminium foil stock.
- The revived caster plant will reduce the dependency of Ess Dee on GARMCO, making the company backward integrated. Ess Dee consumed around 21,389 MT of aluminium foil sheet during FY10 which was 100% imported.
- This may also positively affect the margins of the company, though we have not provided for the impact in our valuations due to lack of clarity.

**5. High gestation period, pre-approval of clients and stringent regulatory approvals – biggest entry barrier for new entrants:**

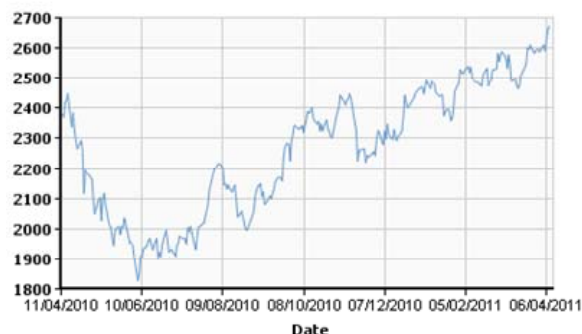
- It takes long lead time to set up a new manufacturing capacity. There are only two suppliers of rolling mills all over the globe – Achen Bach, Germany and Fata Hunter, USA. Thus, it takes 30-32 months to set up a new facility.
- Once the facility is ready it has to undergo stability check which takes another 12-18 months. The company has to take approvals of governing regulatory authority of the country in which it want to operate its business such as Ess Dee has US FDA approval for its products.
- A pharma packaging company has to seek approval of pharma companies by way of registration as approved vendor in the pharma dossiers which takes another 12-16 months.
- Thus, commissioning of new plant takes an overall time of 60-66 months, which possesses as the biggest entry barrier for the new entrants.
- *We expect the Ess Dee to maintain its current market share of 20% in India, being the biggest company in the segment.*



## 6. No impact of highly fluctuating aluminium prices:

- Prices of aluminium are highly volatile governed with various external factors such as economic conditions – domestic and global, availability and ease of access to bauxite mines, worldwide production capacity, capacity utilization rates, fuel prices, working of basic manufacturing industries, import duties and so on. Aluminium has seen an increasing price trend during last 10 months, on the back of rising demand due to improving economies globally. Benchmark aluminium on LME hit USD 2,656 per ton during the week ending April 2, 2011 which is double the price seen in February 2009.

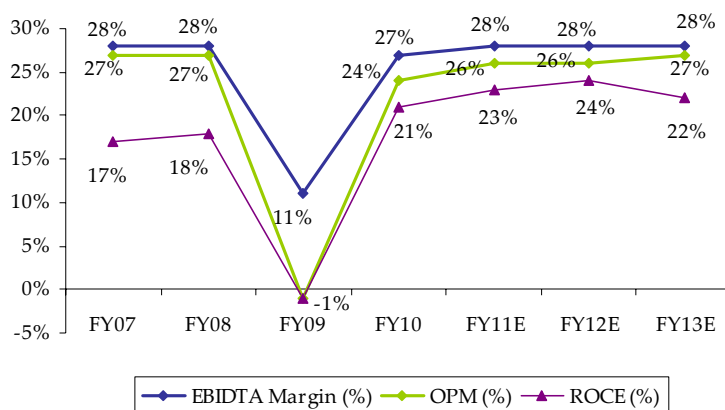
- We believe that soaring power cost (with a global rethink of nuclear power) and strong demand growth will boost aluminium prices in 2011.*



- China factor:** China, the world's largest producer and consumer of aluminium, accounts for 40% of global demand of aluminium forecast at above 40 mn tons in 2011. Electricity accounts for 40% of average smelting cost in China and 30% elsewhere. Around 80% of China's power comes from burning coal, which it produces and also imports from Australia. Floods in Australia stopped coal exports earlier this year, sending its coal prices two year highs. As reported in 'The Hindu Business Line' on April 2, 2011, China is considering its first electricity price increase since 2009, which could start in April 2011 and curtail aluminium output as Chinese producers may find their profit margins squeezed.

- Since packaging cost to total drug cost amounts to just 4%, Ess Dee has been successfully passing the price increases of aluminium to its customers with the lag effect of 3 months, thus maintaining its margins.*

- Margins of the company at a glance:



Source: Company & SKP Research

- Results of FY09 is not comparable as IFL became subsidiary and then got merged with the company w.e.f. April 1, 2008.

## Key Concerns

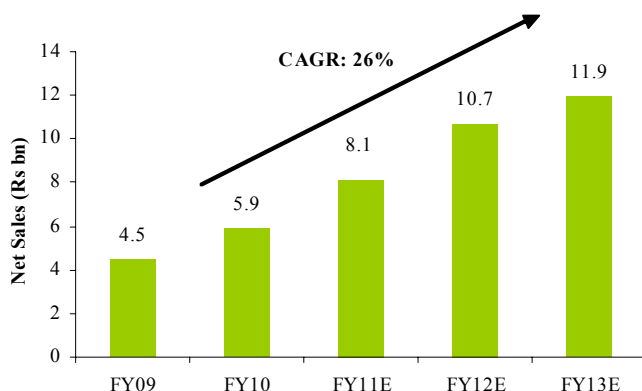
### 1. High dependence on GARMCO:

- As mentioned earlier Ess Dee is highly dependent on GARMCO for the supplies of aluminium foil stock.
- Though the company is capable to find additional vendors to supply aluminium foil stock, any failure of GARMCO to deliver this raw material in the desired quantity or to adhere to delivery schedules would adversely effect the production of Ess Dee, thus, hampering its business.

### 2. Highly dependent upon pharmaceutical industry:

- Ess Dee mainly focuses on pharmaceutical packaging providing them with aluminium foil based packaging products.
- Any negative impact or slowdown in pharmaceutical sector may adversely impact the demand for the products of the company, thus, may adversely affect the performance and results of the company.

## Financial Outlook

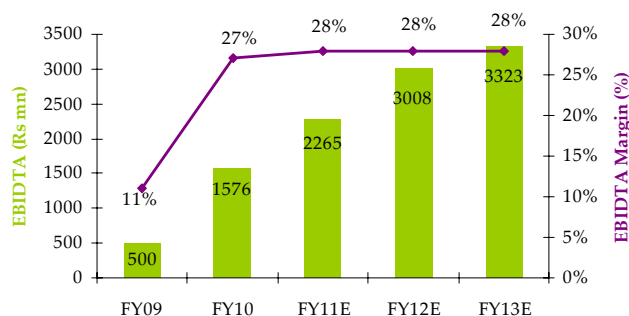


Source: Company & SKP Research

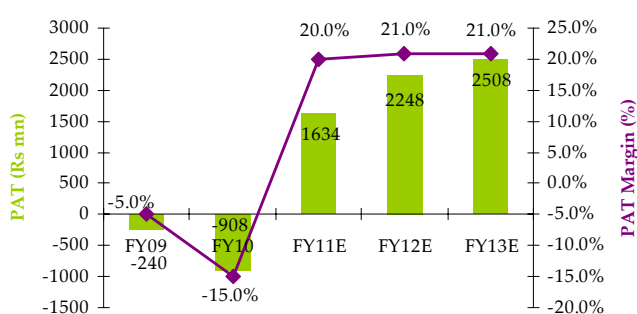
**Top-line to grow at a CAGR of 26% in the coming 2-3 years:** Net sales have gone up to ₹ 5.9 bn for FY10 by registering a growth of 30.3% led by higher volumes due to merger of IFL and improved demand from the user industry.

*We expect the topline to grow at a CAGR of 26% in the coming 2-3 years,* led by better volumes and realisations due to better demand from the industry.

**Improving margins:** Ess Dee has witnessed EBITDA margin of 27% in FY10 which *we expect to stabilize at 28% during the next 2-3 years on account of efficient raw material management.*



Source: Company & SKP Research Desk





Ess Dee incurred the loss of Rs 908 mn in FY10 on account of adjustment of losses of IFL during the year. ***We expect PAT margin to increase to 21% by FY13. EPS of the company is expected to improve to ₹78.2 in FY13.***

## Valuation

We expect packaging industry to see robust growth in the near future with the growth in pharma, food and FMCG sector. Brand functioning, budgeted spending, growing retail and health consciousness of people will force pharma and FMCG companies to look for effective and economical packaging for their products.

At the current market price of ₹ 440, the stock seems to be undervalued based on discounted free cash flow approach. ***We recommend BUY rating on the stock with a target price of ₹ 581/- (32% upside) in 18 months.***

Assumed Terminal Year	FY20
NOPLAT at Terminal Year (₹ mn)	3,863.3
Cost of Equity (%)	13%
WACC (%)	11.9%
Discounted Terminal Value (₹ mn)	6,598.1
Present Value of FCFF till Terminal Year (₹ mn)	11,203.0
Enterprise Value to Firm (₹ mn)	17801.1
Less Debt (₹ mn)	1,786.5
Add Cash (₹ mn)	158.2
Add Investment	2.1
Present Value of Equity (₹ mn)	16,174.9
No. of Equity Shares (mn)	27.8
Fair Value (₹)	581.3

Source: SKP Research Desk

## Financials

(₹ mn)

## Income Statement

Particulars	FY10	FY11E	FY12E	FY13E
Net sales	5884.5	8089.7	10741.9	11867.8
<i>Growth (%)</i>	<i>30.3%</i>	<i>37.5%</i>	<i>32.8%</i>	<i>10.5%</i>
Material Consumed	3534.2	5177.4	6874.8	7595.4
Manufacturing Expenses	253.9	161.8	214.8	237.4
Personnel Expenses	243.7	323.6	429.7	474.7
Selling & Admin Exp	276.7	161.8	214.8	237.4
EBIDTA	1576.1	2265.1	3007.7	3323.0
<i>EBIDTA Margin (%)</i>	<i>26.8%</i>	<i>28.0%</i>	<i>28.0%</i>	<i>28.0%</i>
<i>Growth (%)</i>	<i>215.0%</i>	<i>43.7%</i>	<i>32.8%</i>	<i>10.5%</i>
Depreciation	174.1	196.8	186.5	176.8
EBIT	1418.2	2068.3	2821.2	3146.2
<i>EBIT Margin (%)</i>	<i>24.1%</i>	<i>25.6%</i>	<i>26.3%</i>	<i>26.5%</i>
<i>Growth (%)</i>	<i>-</i>	<i>45.8%</i>	<i>36.4%</i>	<i>11.5%</i>
Interest	199.7	212.9	260.3	287.5
Other Income	139.8	161.8	214.8	237.4
EBT	1358.3	2017.3	2775.7	3096.0
Tax	-574.5	383.3	527.4	588.2
Losses of IFL	-2841.0	0.0	0.0	0.0
PAT	-908.2	1634.0	2248.4	2507.7
<i>PAT Margin (%)</i>	<i>-15.4%</i>	<i>20.2%</i>	<i>20.9%</i>	<i>21.1%</i>
EPS (Rs.)	-32.6	51.0	70.2	78.2

## Balance Sheet

Particulars	FY10	FY11E	FY12E	FY13E
Equity Capital	278.2	320.5	320.5	320.5
Sh Capital Suspense	1513.1	105.6	105.6	105.6
Reserves & Surplus	3275.7	6912.1	9073.5	11484.3
Long-term Loan	1786.5	1540.2	2366.3	2614.0
Deferred Tax Liab.	210.3	210.3	210.3	210.3
<b>Total Liabilities</b>	<b>7063.8</b>	<b>9088.6</b>	<b>12076.2</b>	<b>14734.7</b>
Net Fixed Assets	2696.0	3587.3	3400.8	6723.9
Capital WIP	1088.0	700.0	1900.0	0.0
Investments	2.1	2.1	2.1	2.1
Deferred Tax Assets	742.1	742.1	742.1	742.1
Inventories	546.4	752.3	999.0	1225.9
Accounts receivable	3501.1	4853.8	6445.2	7120.7
Cash & Bank	158.2	101.7	285.6	638.6
Other Current Assets	0.0	0.0	0.0	0.0
Loan & Advances	954.6	1310.5	1740.2	1922.6
<b>Current Assets</b>	<b>5160.2</b>	<b>7018.4</b>	<b>9469.9</b>	<b>10907.9</b>
Account payables	1279.5	1456.1	1933.6	2136.2
Other Current Liab	0.0	0.0	0.0	0.0
Provisions	1343.3	1505.1	1505.1	1505.1
<b>Curr. liab. &amp; prov.</b>	<b>2622.9</b>	<b>2961.2</b>	<b>3438.7</b>	<b>3641.3</b>
Net Current Assets	2537.4	4057.1	6031.3	7266.6
<b>Total Assets</b>	<b>7065.6</b>	<b>9088.6</b>	<b>12076.2</b>	<b>14734.6</b>

## Cash Flow Statement

Particulars	FY10	FY11E	FY12E	FY13E
Profit before Tax	1358.3	2017.3	2775.7	3096.0
Add: Depreciation, Int. & Other Expenses	-343.4	409.7	446.8	464.8
Net changes in WC, tax interest	-609.9	-2121.3	-2317.7	-1470.4
<b>Cash flow from operating activities</b>	<b>405.1</b>	<b>305.6</b>	<b>904.9</b>	<b>2089.9</b>
Capital expenditure	-1323.8	-700	-1200	-1600
Investments, Sales of FA, Div. Recd & others	-803.6	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-2127.4</b>	<b>-700</b>	<b>-1200</b>	<b>-1600</b>
<b>Cash flow from financing activities</b>	<b>1756.8</b>	<b>337.9</b>	<b>478.9</b>	<b>-136.8</b>
<b>Net Increase/Decrease in Cash &amp; Cash Equivalents</b>	<b>34.5</b>	<b>-56.5</b>	<b>183.9</b>	<b>353.1</b>
Opening Cash Balance	123.7	158.2	101.7	285.6
<b>Closing Cash Balance</b>	<b>158.2</b>	<b>101.7</b>	<b>285.6</b>	<b>638.6</b>

## Key Ratios

Particulars	FY10	FY11E	FY12E	FY13E
<b>Valuation Ratios</b>				
P/E	--	8.6	6.3	5.6
P/Cash EPS	--	7.7	5.8	5.3
P/BV	2.4	1.9	1.5	1.2
EV/EBIDTA	26.8	10.0	6.9	5.4
EV/Sales	2.3	1.9	1.5	1.2
<b>Earnings Ratios</b>				
OPM	24.1%	25.6%	26.3%	26.5%
NPM	-15.4%	20.2%	20.9%	21.1%
ROCE	20.7%	23.3%	23.8%	21.7%
ROE	-17.9%	22.3%	23.7%	21.1%
<b>Balance Sheet Ratios</b>				
Current Ratio	2.0	2.4	2.8	3.0
Debt/Equity	0.4	0.2	0.2	0.2
Debtor days	194	189	192	209
Creditors Days	63	62	58	63
Inventory Days	51	46	47	54
FA Turnover	2.2	2.3	3.2	1.8

## Notes:

**The above analysis and data are based on last available prices and not official closing rates. SKP Research is also available on Bloomberg, Thomson First Call & Investext Myiris, Moneycontrol, Tickerplant and ISI Securities.**

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## SKP Securities Ltd

Contacts	Research		Sales	
	Mumbai	Kolkata	Mumbai	Kolkata
<b>Phone</b>	<b>022 2281 9012</b>	<b>033 4007 7000</b>	<b>022 2281 1015</b>	<b>033 4007 7400</b>
<b>Fax</b>	<b>022 2283 0932</b>	<b>033 4007 7007</b>	<b>022 2283 0932</b>	<b>033 4007 7007</b>
<b>E-mail</b>	researchmum@skpmoneywise.com	research@skpmoneywise.com	Skp.sec@bloomberg.com	

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\*Group Entities

INB/INF: 230707532, BSE INB: 010707538, CDSL IN-DP-CDSL-132-2000, DPID: 021800, NSDL IN-DP-NSDL: 222-2001, DP ID: IN302646, ARN: 0006, NCDEX: 00715, MCX: 31705, MCX-SX: INE 260707532