



# EXIDE

Initiating Coverage Report

Current Market Price: INR124

Target Price: INR153

**BUY**

Sector- Auto Ancillary

### Market Data

Current Market Price (INR)	124
Target Price	153
Upside Potential	24%
52 Week High/Low (INR)	151/116
Market Capitalization (In INR Cr.)	10,510

We initiate coverage on Exide Industries Limited (Exide) with a “**BUY**” rating. Our rating underpins the company’s distribution network, after sales service, usage of product in different sectors and its R&D and technological framework. However, slowdown in automobile industry impedes our optimism bit.

### Investment Highlights

**Wide distribution channels, after sales and warranty services.** Exide enjoys strong distribution network in domestic as well as international markets. Currently, the company is operating from over 200 locations, which has enabled Exide to market as well as provide after sales services to customers in Tier II & III cities. The Project Kisan initiative has also enabled Exide to reach its products to all remote locations. In addition, company’s performance is likely to be supported by warranty and after sales services.

**Strong Research and development.** The company has managed to carry out the R&D activities efficiently and likely to do so in the future. The R&D activity has helped the company in many ways like – development of new and cost efficient products to meet the diverse requirements of large number of applications in both automotive and industrial segments. Specific attention had been provided towards development of new raw materials for development of new formulation, development of new technique in making process improvements, Value Addition/Value Engineering on existing products through technology, design and process up-gradation.

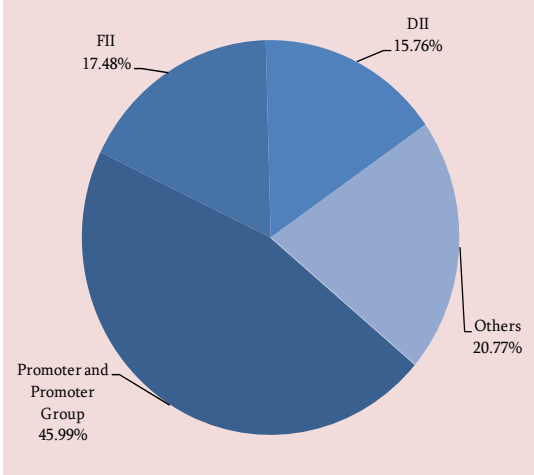
**Wide usages of battery in different sectors may boost the top line growth.** Apart from Automotive sector, Exide batteries are used in Railway, Telecommunications, Defense, Mining, Hospitals, lighting of coach, Airlines Signaling and Communications sectors.

**Strong Financial growth with sound ratios:** The Company has registered a strong financial growth in FY13. Its Net sales increased by 19.73% to INR6,372 crore and PAT grew by 23.16% to INR549 crore. Its PAT margin, also, improved from 8.38% to 8.62%. ROE of the company arrived at 19.10%. The company continues to remain debt free. Exide’s financial ratios are strong and are very much in line with its nearest competitor Amara Raja batteries.

**Exhibit 1. Exide Industries financial performance (In INR Cr.except per share data and %)**

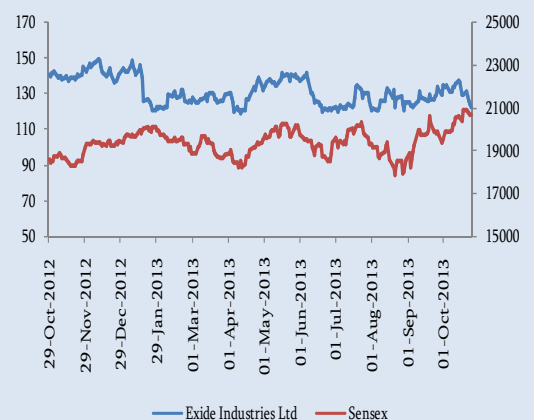
Particulars	FY 2010A	FY 2011A	FY 2012A	FY 2013A	FY 2014E	FY 2015E
Net Sales (post Excise Duty)	3,979	4,766	5,322	6,372	6,946	7,779
Growth (%)		19.79%	11.67%	19.73%	9.00%	12.00%
EBITDA	977	956	751	859	991	1,169
EBITDA Margins (%)	24.56%	20.06%	14.11%	13.47%	14.27%	15.03%
Net Profit	494	619	446	549	678	853
Net Profit Margins (%)	12.40%	12.98%	8.38%	8.62%	9.76%	10.96%
Net Profit Growth (%)		25.39%	-27.92%	23.16%	23.34%	25.85%
EPS	6.2	7.3	5.2	6.5	8.0	10.0
BVPS	23	28	32	36	42	50
P/E	20.0	19.7	28.4	20.0	15.5	12.3
P/BV	5.5	5.1	4.7	3.6	2.9	2.5
RoE	33.9%	28.8%	17.6%	19.1%	20.3%	21.8%

Source: Ace Equity, Microsec Research



### Stock Scan

BSE Code	500086
NSE Code	EXIDEIND
Bloomberg Ticker	EXIDE IN
Reuters Ticker	EXIDE.BO
Face Value (INR)	1.00
Equity Share Capital (In INR Cr.)	85.00
Beta vs Sensex	0.73
Average Daily Volume	1,305,925
Dividend Yield	1.29%

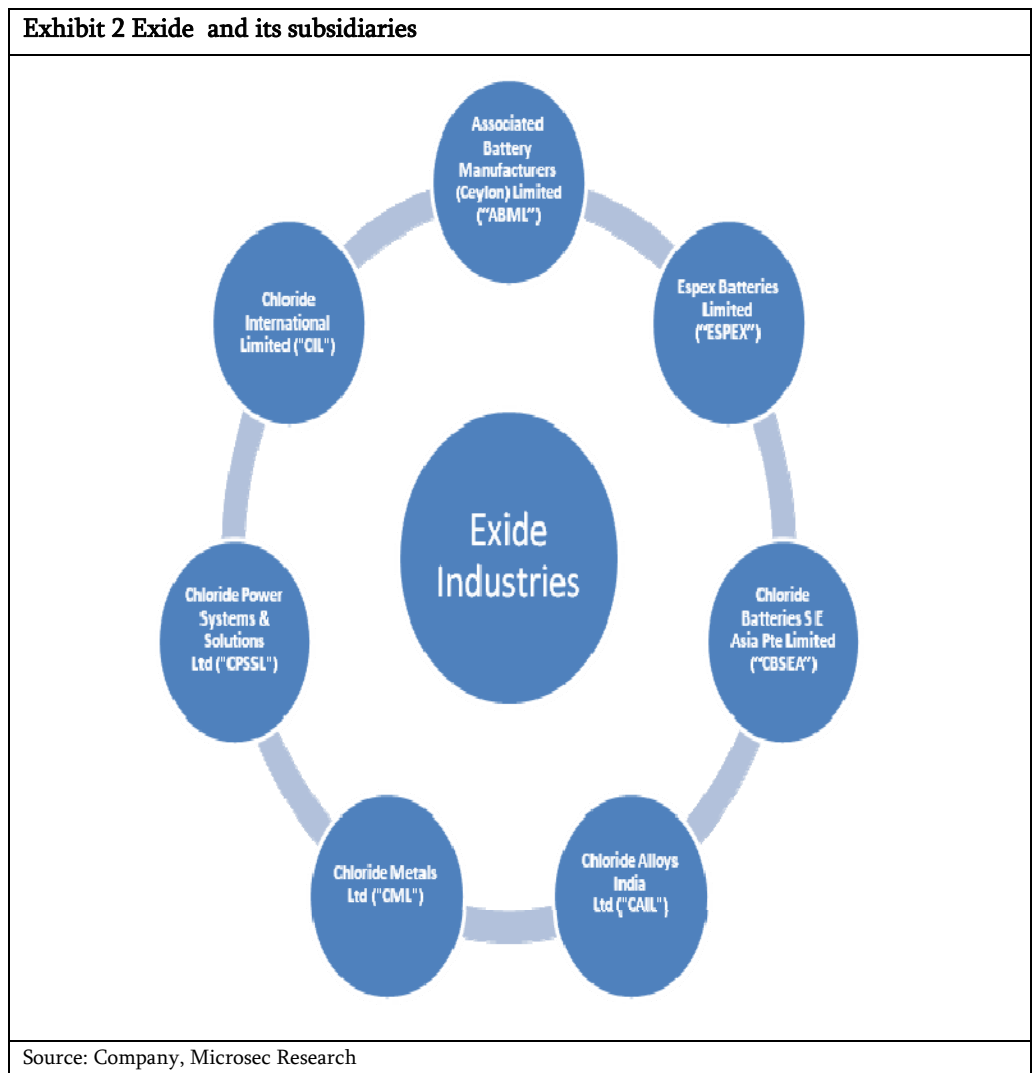


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### Company Profile

Exide is engaged in the manufacturing of lead acid storage batteries. Exide is offering products like automotive batteries, industrial batteries and submarine batteries. The Company has seven battery manufacturing facilities located across the country – three in Maharashtra, two in West Bengal, one in Tamil Nadu and one in Haryana. In addition, Exide also has two Home UPS/Inverter manufacturing facilities in Uttarakhand. The batteries of the company used in Automotive, telecom, power back up, defence and railways. Exide Industries India is of the largest manufacturers of Lead Acid Storage Batteries in the World, marketing its products to Western Europe, Middle East, Africa, South America, SAARC and South East Asian Countries.

**Exhibit 2 Exide and its subsidiaries**



Source: Company, Microsec Research

## Business Overview

Exide divides its operation into three major segments - Automotive, Industrial and Submarine.

**Automotive Batteries:** In India, the company markets the products under Exide, SF, Sonic and Standard Furukawa brands and supplies to all car and two-wheeler manufacturers. In international market, it sells products under Dynex, Index & Sonic brands. It has a distribution network of 4000 outlets, supported by 4 regional offices and 28 branch offices. Company exports batteries to the Middle East, Japan and CIS countries.

Sales for automotive batteries registered an overall value growth of 18% in FY13 as compared to the previous year. Four-wheeler and three-wheeler battery segments registered a handsome growth of 21%, but the company reported a fall of 7% in case of OEMs in the same segment. This de-growth was mainly due to the all round stagnation in some sectors of the automobile industry as well as by giving up some unprofitable OEM business. However, despite of a meager growth of 2% in two-wheeler sales, Company registered a growth of 19% in this segment as compared to the last year.

Company has fully regained its market share in automotive batteries in replacement market, which was partially lost during the last two years mainly due to capacity control. Exide continues to remain the preferred supplier for most of the vehicle manufacturers in India and apart from domestic consumption. Company is the only domestic supplier of lithiumion batteries for electrical vehicles to Mahendra-Reva.

**Industrial Batteries:** Industrial batteries registered a growth of around 20% in terms of value with a corresponding volume growth of 9%, as compared to the previous year. Exide increased its market share in the domestic market, despite adverse economic conditions. In the Fast Moving Industrial Battery segment, sales recorded a growth of around 28%. While Company has been able to maintain its share with major UPS OEMs, Trade sales increased of 12% by volume and 27% by value.

In India, it sells products under Exide, Index, SF, CEIL and Power Safe brands and in international market under CEIL, Chloride and Index brands. Industrial batteries supply mostly to the infrastructure sector such as railways, telecom, power plants and solar cells.

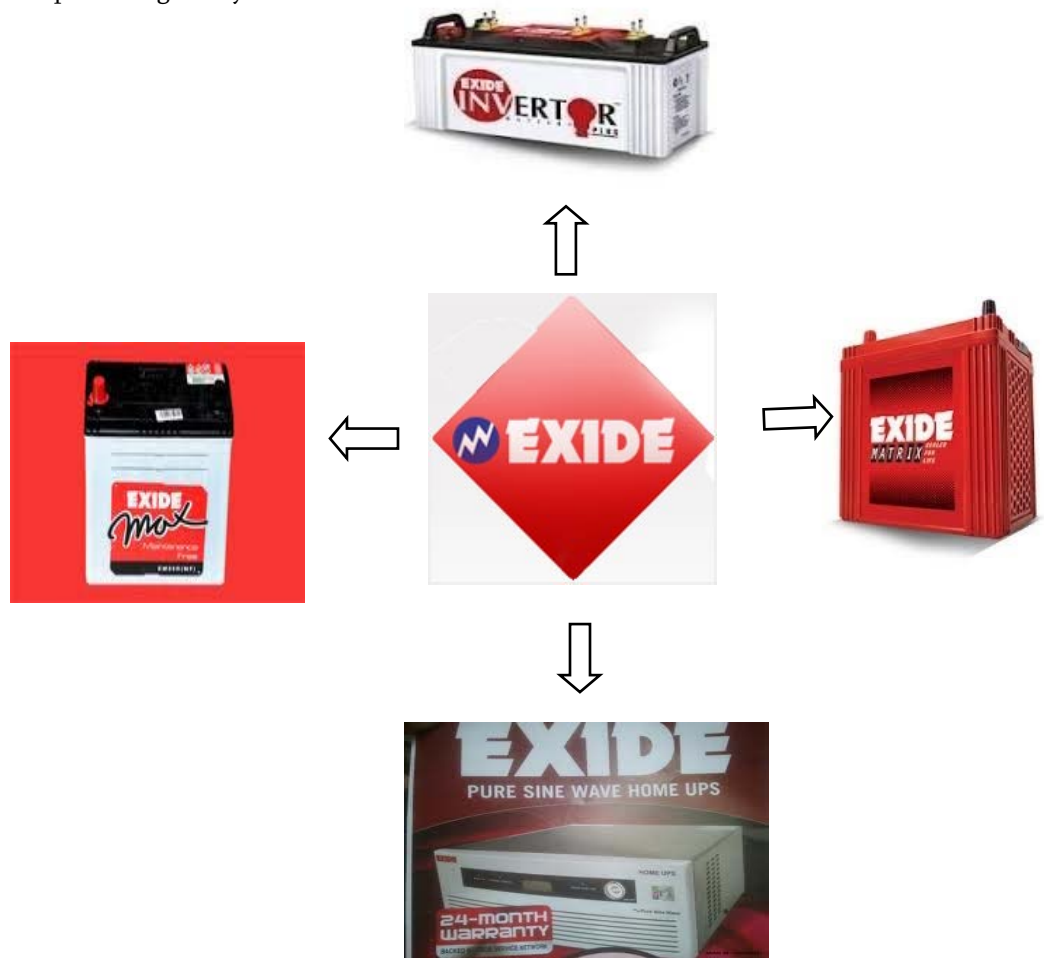
**Submarine Batteries:** The Company is also engaged in manufacturing of high-end submarine batteries. It is one of the five companies in the world, which has capacity to manufacture submarine batteries for Russian and German types. It manufactures two to three submarine batteries a year for India's defence requirement.

The sales of submarine batteries amounted to INR743 crores were an increase of 74% over the sales of the previous year. Exide Industries is the only supplier of submarine batteries to the Indian Navy and is an official supplier to the Admiralty Ship Yard, Russia.

## Products Portfolio

Exide divides its operation into three major segments - Automotive, Industrial and Submarine.

**Automotive Batteries:** In Automotive products Exide Industries makes four wheelers batteries (Exide Matrix, Exide ATB, Exide Max, Exide Xpress, Exide Jai Kisan, Exide Eko), two wheelers batteries (Exide Xtreme, Exide VRLA, Exide Xpack, Exide Bikerz, Exide Zoom, Exide Electrica), inverter batteries (Exide MegaINVR, Exide Invertor Plus), Exide home UPS and Genset battery (Exide Genplus). EXIDE\*, CHLORIDE, INDEX, DYNEX, Standard Furukawa, SF SONIC, JUPITER, CONREX are all brands in which it markets our products globally.



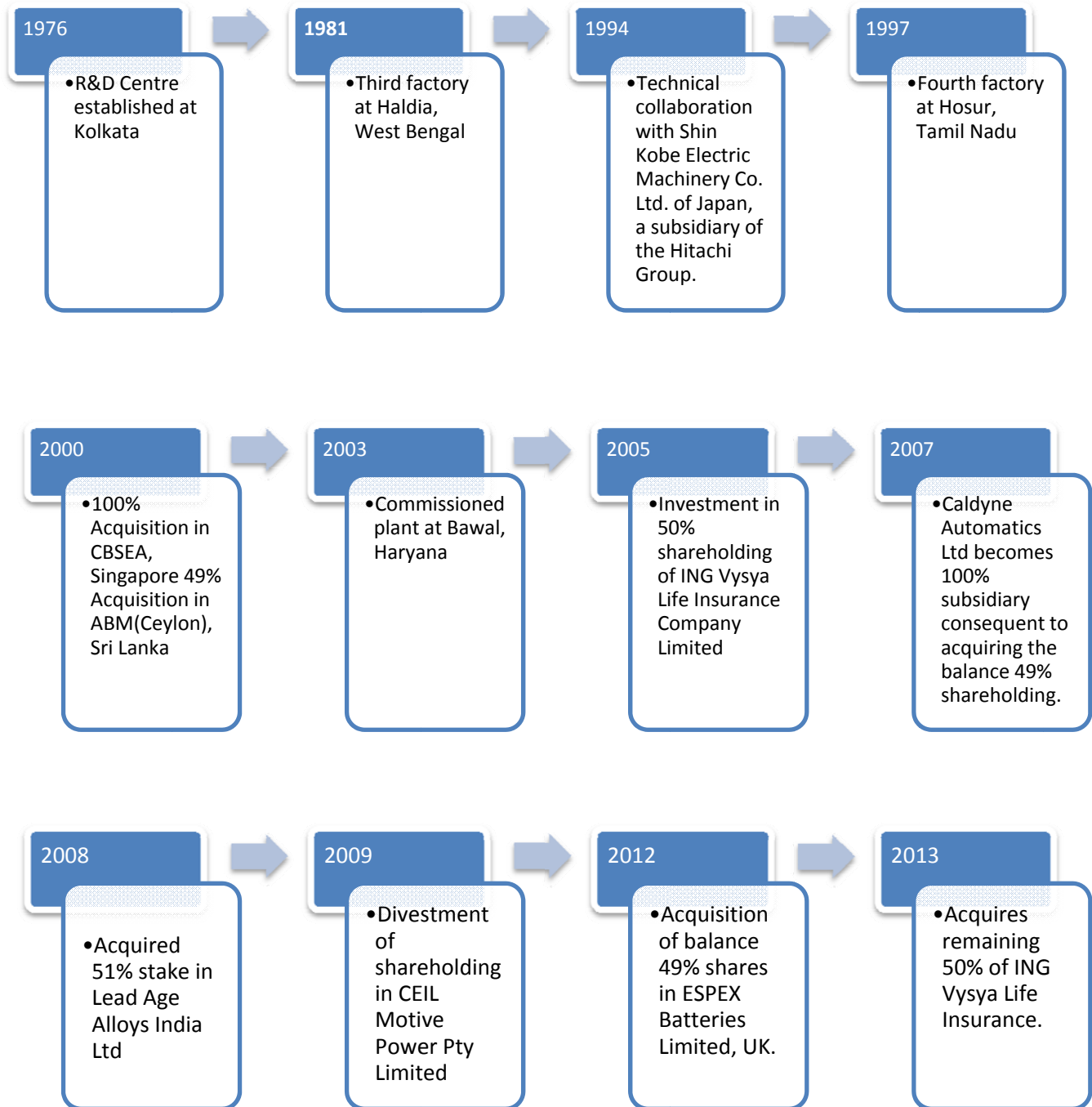
Source: Company, Microsec Research

**Industrial Batteries:** In Industrial products, Exide Industries makes Motive power batteries (Sealed polypropylene Classic, Magnum & Gen-X batteries are specially made to meet international standards of Motive Power), Stand By batteries (series of EPST/MST/NMST/NEPST maintenance free SMF VRLA batteries brings you the best power back up for stand by applications) and Home UPS System (EXIDE 650VA , EXIDE 850VA, EXIDE 1450VA).



Source: Company, Microsec Research

## Key Milestones



Source: Company, Microsec Research

## Industry Overview

India's automotive component industry has emerged as an important segment of the overall economy following the deregulation policies undertaken in early 1990s. The real growth momentum for the industry came in 1970s as demand for cars and tractors began to increase. According to Industry body, SIAM- Passenger car sales in India is forecasted to grow at 3-5 % in the ongoing fiscal on expectations of an improvement in overall macro-economic conditions, despite witnessing a fall of 6.69% during 2012-13. Overall, the passenger vehicle revenue is estimated to rise by 5-7%, two-wheeler segment to register a growth of 6-8 %in 2013-14. The body also forecasted that by 2020 India would be one of the top five automobile manufacturing countries in the world. These positive developments in the automobile sector would augur well for the domestic battery industry.

The domestic battery industry witnessed a mixed fortune in 2012-13. Revenue of automotive batteries was severely affected due to a record slowdown in the automobile industry. Passenger vehicles segment grew by 3% as compared to a 5% growth in the previous year, whilst commercial vehicles registered de-growth of 2%. Three-wheelers recorded growth of around 5% as compared to a 2% de-growth in the previous year. Two-wheelers grew by 3% as compared to a 14% growth in the previous year. Domestic sales of automobiles sales grew by 3% as compared to a 12% growth in the previous year. The major reasons for the gloomy performance can be attributed to inflationary pressures, rise in fuel prices, high cost of borrowing, increase in input cost, adverse foreign exchange rate, some industrial unrest and above all an overall negative sentiment. The industrial battery segment also continues to pass through difficult times with major de-growth in telecom and stagnation power segment. 16407 MW of power generation capacity was added in 2012-13, which was 20%, less than the generation capacity of 20502 MW added during 2011-12. Export of industrial batteries also recorded negative growth due the recessionary conditions in Europe. However, the Home UPS/Inverter segment continued to grow due to recurring power shortages in certain States.

Automobile Domestic Sales Growth Trends							
Category	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Passenger Vehicles	21%	12%	0%	26%	28%	5%	3%
Commercial Vehicles	33%	5%	-22%	39%	29%	18%	-2%
Three Wheelers	12%	-10%	-4%	26%	19%	-2%	5%
Two Wheelers	12%	-8%	3%	26%	26%	14%	3%
<b>Grand Total</b>	<b>14%</b>	<b>-5%</b>	<b>1%</b>	<b>26%</b>	<b>26%</b>	<b>12%</b>	<b>3%</b>

Source - SIAM, Microsec Research



### Subsidiary and Associated Companies

Exide has four Indian subsidiaries viz. Chloride Metals Limited, Chloride Power Systems & Solutions Limited, Chloride Alloys India Limited and Chloride International Limited and three foreign subsidiaries, viz. Chloride Batteries S.E. Asia Pte. Ltd., Singapore, Espex Batteries Limited, UK and Associated Battery Manufacturers (Ceylon) Limited, Sri Lanka.

Chloride International Ltd, a 100% subsidiary is engaged in the marketing and sale of Non-conventional Energy Systems like Solar Home Lighting and Heating System Panels, and Home UPS / Inverters. Exide has 100% holding in Caldyne Automatics Ltd, which is engaged in the business of chargers used in DC power systems and associated equipment. It has manufacturing facility at Salt Lake in Kolkata.

Partial Income statements of Chloride International Ltd & Chloride Power Systems & Solutions Ltd (Formerly Caldyne Automatics Ltd)

Chloride International Ltd				Chloride Power Systems & Solutions Ltd.			
Particulars	FY2010	FY2011	FY2012	Particulars	FY2010	FY2011	FY2012
Revenue	12	20.39	3.12	Revenue	37	44.11	72.77
PBT	0.37	0.46	0.11	PBT	1.54	2.33	4.77
PBT Margin(%)	3.08%	2.26%	3.53%	PBT Margin(%)	4.16%	5.28%	6.55%

Source: Company, Microsec Research

Chloride Metals Limited that is a 100% subsidiary of Exide is engaged in lead smelting and refining operations and has its Plant at Markal, Pune. Chloride Alloys India Limited (formerly known as Leadage Alloys India Limited), a 100% subsidiary of the company, has its Plant at Kolar District, Karnataka and is engaged in lead smelting and refining activities.

Partial Income statements of Chloride Metals Ltd & Chloride Alloys India Ltd (Formerly Leadage Alloys India Ltd)

Chloride Metals Ltd.				Chloride Alloys India Ltd.(Formerly Leadage Alloys)			
Particulars	FY2010	FY2011	FY2012	Particulars	FY2010	FY2011	FY2012
Revenue	264	381.27	440.03	Revenue	546	744.79	850.13
PBT	15	19.79	12.74	PBT	53.74	32.57	12.36
PBT Margin(%)	5.68%	5.19%	2.90%	PBT Margin(%)	9.84%	4.37%	1.45%

Source: Company, Microsec Research

Exide Industries holds 61.5% in Associated Battery Manufacturers (Ceylon) Limited, Sri Lanka. Company is engaged in the business of manufacturing and marketing of Lead Acid batteries. In 2000, Exide has acquired 100% stake in Chloride Batteries SE Asia Pte Ltd in Singapore to cater the South East Asian and Australian markets. The company is in the business of manufacturing and sale of lead acid batteries and caters.

**Partial Income statement of Associated Battery Manufacturers (Ceylon) Ltd & Chloride Batteries S.E. Asia Pte Ltd.**

Associated Battery Manufacturers (Ceylon) Ltd				
Particulars	FY2010	FY2011p	FY2012p	FY2013
Revenue	63.96	80.58	76.21	94.86
PBT	6.2	8.55	5.66	6.75
PBT Margin(%)	9.69%	10.61%	7.43%	7.12%

Chloride Batteries S.E. Asia Pte Ltd.				
Particulars	FY2010	FY2011p	FY2012p	FY2013
Revenue	122.67	143.52	163.61	154.73
PBT	4.73	5.06	5.61	7.18
PBT Margin(%)	3.86%	3.53%	3.43%	4.64%

Source: Company, Microsec Research

Espex Batteries Limited, UK, in which, holds 51% of the share capital, is engaged in marketing and selling of lead acid batteries for industrial applications.

**Partial Income statement of Espex Batteries Ltd.**

Espex Batteries Ltd				
Particulars	FY2010	FY2011p	FY2012p	FY2013
Revenue	30.21	47.12	43.26	43.3
PBT	0.36	1.53	1.97	0.16
PBT Margin(%)	1.19%	3.24%	4.55%	0.37%

Source: Company, Microsec Research

**SEGMENT REPORTING**

Exide's business is organized in three primary business segments, 'Storage Batteries & allied products', 'Solar Lantern & Homelights' and 'Life Insurance business'. Storage batteries & allied products, and life insurance business are the only reportable segments.

- Storage batteries & allied products - The holding company and some of its subsidiaries manufacture lead acid storage batteries and allied products.
- Life Insurance business - This segment relates to the nationwide life insurance business carried by one of the subsidiaries.

Business Segments				
particulars	Storage batteries & allied products	Life Insurance business	Others	Total
<b>Revenue (Gross sale)</b>	7,092	52	16	7,159

Source: Company, Microsec Research

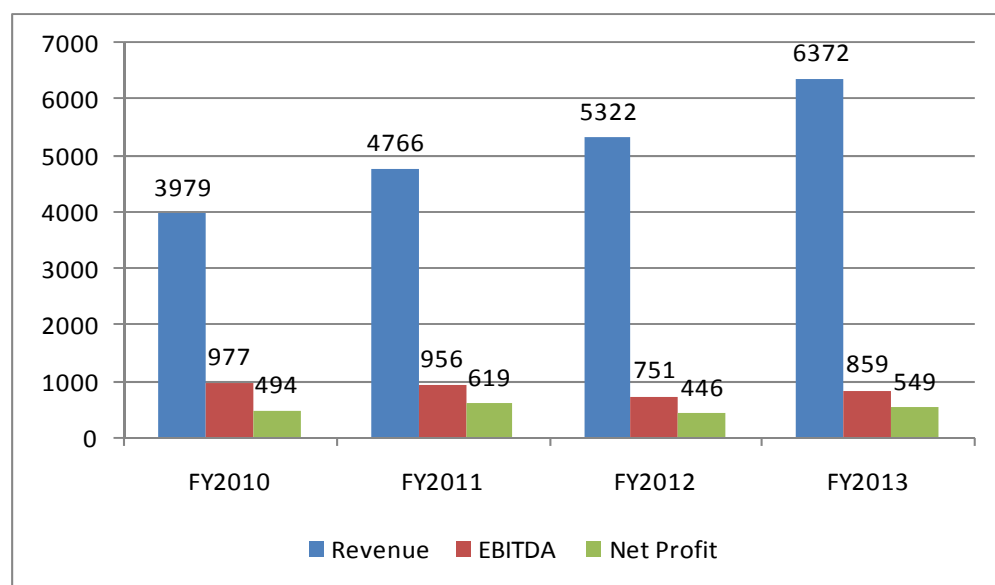
**Insurance business:**

Exide Industries completed the acquisition of remaining 50% stake in ING Vysya Life Insurance. The acquisition was funded entirely from the internal cash resources of the company.

### Investment Thesis

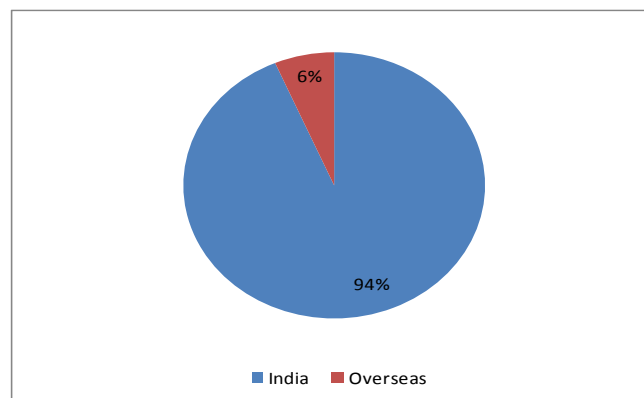
Exide Industries Ltd reported a good performance over the last Four years. Exide's top line increased at a Compounded Annual Growth Rate (CAGR) of 17% over FY2010-13 and its Profit after Tax (PAT) jumped at an annual run rate of 3.64% over the same period. The company reported a decline of 1.73% in Q2 FY14 PAT due to depreciation of rupee and continued sluggish demand. However, we expect the company to report better performance through its regaining automotive replacement market, going forward. Furthermore, the distribution network, after sales services, Research & Development and Technical collaborations are likely to boost the performance.

### Revenue, EBITDA & Net Profit (INR Crore)



Source: Company, Microsec Research

### Geography wise Revenue Distribution



Source: Company, Microsec Research

### Expansion plan

Exide Industries planned a capital outlay of INR250 crore for industrial batteries capacity augmentation and modernization of its units in the FY 2014.

### **Strong Distribution Channels after Sales and services**

The company is regaining of market share in the key automotive replacement market. In addition to that battery manufacturers can able to get high margins and better sales stability from the replacement segment, therefore strong distribution channel and after sales services can be the key factors to increase brand equity as well as overall growth. Exide Industries Ltd sells its products under the brand name of EXIDE, SF, SONIC, Standard Furukawa in the domestic market and in the international markets, it sells battery brands of DYNEX, INDEX and SONIC.

### **R&D and technical alliance add a value of the company**

In automobile and industrial battery business, R&D and technical teamwork are the key parts for continuous growth of manufacturing process to get added advantages in terms of patent and first mover from the competitors. Introduction of new products/processes has helped the Company to meet the emerging market needs and maintain its technological leadership. major benefits have been derived by way of better market penetration by meeting the specific requirements of international and domestic vehicle manufacturers and the highly quality conscious export markets. The capital and revenue expenditure on R&D were 70 crore and 711crores respectively, aggregating to 781 crores. Total R&D expenditure as percentage of Net Turnover stood at 0.18%.

### **Key Management Profile**

Name	Designation	Reported Designation
W Wong	Non Executive Director	Non Executive Director
Vijay Aggarwal	Independent Non-Executive Director	Independent Non-Executive Director
Sudhir Chand	Additional Director	Additional Director
S Coomer	Company Secretary	Company Secretary
R G Kapadia	Chairman	Chairman & Non Executive Director
R B Raheja	Vice Chairman & Non-Executive Director	Vice Chairman & Non-Executive Director
Nadeem Kazim	Executive Director	Executive Director – HR and Personnel
Mona N Desai	Independent Non-Executive Director	Independent Non-Executive Director
G Chatterjee	Executive Director	Director – Industrial
D S Parekh	Independent Non-Executive Director	Independent Non Executive Director (Alternate to S. B. Raheja)
AK Mukherjee	Executive Director	Executive Director – Finance & Chief Financial Officer

Source: Company, Microsec Research

### Peers Group (In crore)

Company	Sales	EBITDA	EBITDA (%)	PAT	PAT (%)	EPS FY13	ROE (%)	D/E	CMP (30th Oct 2013)	Mcap	P/E
Exide Industries	6372	859	13.5	549	8.6	6.46	19.1%	0	124	10510	19.13
Amara Raja Batteries	2,981	471	15.8	287	9.6	16.78	30.4	0.1	311	5316	18.55

Source: Bloomberg, Microsec Research

### Valuation

We adopted a comparable valuation method to value Exide Industries Ltd based on Price-to-Earnings (P/E) multiples. Historically, the company traded on a five year average P/E multiple of 26.49x. This reveals a premium to the peer group average P/E of 20.84x for the same period. We expect the company to continue trade at a premium over the peer group average P/E. As a result, to arrive at a target P/E multiple for Exide, we applied a 10% discount for FY14 and 15% discount for FY15, to five year average P/E of peer group. Adding the premium, this resulted in a targeted P/E multiple of 18.33x for the company, on FY2015E EPS of INR10.03, reflecting a target price of INR153, inclusive of dividend payments, for the stock. Our target price translates a 24% upside over Exide Industries Ltd's current stock price.

### Key Risks

- Volatility in lead prices
- Weakening of the Rupee is a key concern of the Exide Industries.
- Sale of battery is related with the automobile sector, if there is any slowdown in the Auto sector for a longer period, the demand of battery will have a negative impact.

### Consolidated Income Statement

DESCRIPTION	FY10	FY11	FY12	FY13	FY14E	FY15E
<b>Net Sales</b>	<b>3979</b>	<b>4766</b>	<b>5322</b>	<b>6372</b>	<b>6946</b>	<b>7779</b>
<b>% Growth</b>		<b>20%</b>	<b>12%</b>	<b>20%</b>	<b>9%</b>	<b>12%</b>
Total Expenditure	3002	3810	4571	5,513.75	5,954.85	6,609.88
<b>PBIDT (Excl OI)</b>	<b>977</b>	<b>956</b>	<b>751</b>	<b>859</b>	<b>991</b>	<b>1169</b>
<i>EBITDA (%)</i>	<i>24.6%</i>	<i>20.1%</i>	<i>14.1%</i>	<i>13.5%</i>	<i>14.3%</i>	<i>15.0%</i>
Other Income	8	55	35	50	57	65
Operating Profit	985	1011	786	908	1048	1234
Interest	16	11	15	9	0	0
PBDT	969	1000	771	899	1048	1234
Depreciation	88	90	108	122	128	135
Exceptional Items	0	47	0	0	0	0
<b>PBT</b>	<b>882</b>	<b>957</b>	<b>663</b>	<b>777</b>	<b>919</b>	<b>1099</b>
Tax	301	298	198	237	242	247
Profit After Tax	581	660	465	540	678	853
Minority Interest	-19	-6	-3	-2	0	0
Other related items	-68	-35	-16	11	0	0
<b>Consolidated PAT</b>	<b>494</b>	<b>619</b>	<b>446</b>	<b>549</b>	<b>678</b>	<b>853</b>
<i>PAT(%)</i>	<i>12.4%</i>	<i>13.0%</i>	<i>8.4%</i>	<i>8.6%</i>	<i>9.8%</i>	<i>11.0%</i>
EO	0	0	0	0	0	0
<b>PAT incl EO</b>	<b>494</b>	<b>619</b>	<b>446</b>	<b>549</b>	<b>678</b>	<b>853</b>
Equity Capital	85.00	85.00	85.00	85	85.00	85.00
Face Value (In Rs)	1	1	1	1	1	1
No. of shares	85.00	85.00	85.00	85.00	85.00	85.00
<b>EPS</b>	<b>6.15</b>	<b>7.28</b>	<b>5.2</b>	<b>6.46</b>	<b>8.0</b>	<b>10.03</b>

### Consolidated Balance Sheet

Balance Sheet (In INR Cr.)	FY 2011	FY 2012	FY 2013	FY 2014E	FY 2015E
<b>EQUITY AND LIABILITIES</b>					
Share Capital	85.00	85.00	85.00	85.00	85.00
Reserves & Surplus	2300.08	2602.33	2994.69	3514	4209
<b>Shareholder's Funds</b>	<b>2385.08</b>	<b>2687.33</b>	<b>3079.69</b>	<b>3599.21</b>	<b>4293.87</b>
<b>Minority Interest</b>	<b>10.7</b>	<b>12.5</b>	<b>11.16</b>	<b>11.16</b>	<b>11.16</b>
Long-Term Borrowings	8.02	2.58	2.38	2.38	2.38
Deferred Tax Liabilities(Net)	70.88	86.87	103.66	103.66	103.66
Other Long Term Liabilities	3.51	4.39	7.36	7.36	7.36
Long Term Provisions	49.3	19.28	26.74	26.74	26.74
Policyholders Fund	0	0	6237.81	6237.81	6237.81
Fund for Discontinued policies	0	0	15.21	15.21	15.21
Fund for future appropriation	0	0	4.42	4.42	4.42
<b>Non-Current Liabilities</b>	<b>131.71</b>	<b>113.12</b>	<b>6397.58</b>	<b>6397.58</b>	<b>6397.58</b>
Short Term Borrowings	92.91	24.52	48.61	48.61	48.61
Trade Payables	641.41	689.82	995.39	1065.07	1128.97
Other Current Liabilities	203.93	241.65	391.48	422.80	456.62
Short Term Provisions	97.61	153.62	183.24	192.40	202.02
policyholders Fund	0	0	201.56	219.70	239.47
<b>Current Liabilities</b>	<b>1035.86</b>	<b>1109.61</b>	<b>1820.28</b>	<b>1948.58</b>	<b>2075.70</b>
<b>TOTAL</b>	<b>3563.35</b>	<b>3922.56</b>	<b>11308.71</b>	<b>11956.52</b>	<b>12778.31</b>
<b>ASSETS</b>					
Fixed Assets	1019.37	1084.92	1156.15	1260.20	1373.62
Goodwill on consolidation	0	46.71	581.9	581.90	581.90
Non Current Investments	358.12	344.38	3696.64	3696.64	3696.64
Assets held to cover linked liability life business	0	0	2376.75	2376.75	2376.75
Deferred Tax Assets (Net)	0.39	0	0	0.00	0.00
Long Term Loans & Advances	32.32	64.07	105.59	105.59	105.59
Other Non Current Assets	0.73	1.1	1.51	1.51	1.51
<b>Non Current Assets</b>	<b>1410.93</b>	<b>1541.18</b>	<b>7918.54</b>	<b>8022.59</b>	<b>8136.01</b>
Currents Investments	503.2	649.07	324.68	324.68	324.68
Assets held to cover linked liability life business	0	0	431.88	431.88	431.88
Inventories	1134.31	1157.59	1407.39	1491.83	1596.26
Trade Receivables	373.46	426.05	591.81	621.40	658.68
Cash & Bank Balances	22.83	62.79	220.51	605.97	1108.03
Short-term Loans & Advances	118.57	85.67	63.17	68.86	75.05
Other Current Assets	0.05	0.21	350.73	389.31	447.71
<b>Current Assets</b>	<b>2152.42</b>	<b>2381.38</b>	<b>3390.17</b>	<b>3933.9314</b>	<b>4642.295515</b>
<b>TOTAL</b>	<b>3563.35</b>	<b>3922.56</b>	<b>11308.71</b>	<b>11956.52</b>	<b>12778.31</b>

### Consolidated Cash Flow

DESCRIPTION	FY 2012	FY 2013	FY 2014E	FY 2015E
<b>Cash Flow from Operating Activities</b>				
Profit before Tax	662.63	777.13	919.45	1099.43
Depreciation	108.37	122.00	128.10	134.51
Operating Profit before W/C changes	771.00	899.13	1047.55	1233.94
Operating profit before working capital changes	751.33	857.00	1047.55	1233.94
Increase in Trade Receivables (net of provision)	-53.40	-106.14	-29.59	-37.28
Increase in Inventories	-26.73	-249.44	-84.44	-104.43
(Increase) / Decrease in Loans & Advances	8.57	28.59	-44.27	-64.59
Increase in Current Liabilities	122.86	78.77	128.30	127.12
Cash generation from operations	802.63	608.78	1017.55	1154.75
Direct Taxes Paid (net of refund)	-200.29	-209.57	-241.87	-246.71
<b>Net Cash from operating activities</b>	<b>602.34</b>	<b>399.21</b>	<b>775.67</b>	<b>908.04</b>
<b>Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets	-210.45	-172.20	-232.15	-247.92
<b>Net Cash used in investing activities</b>	<b>-339.69</b>	<b>-89.59</b>	<b>-232.15</b>	<b>-247.92</b>
<b>Cash Flow from Financing Activities</b>				
<b>Net Cash used in financing activities</b>	<b>-229.37</b>	<b>-155.19</b>	<b>-158.06</b>	<b>-158.06</b>
Net Increase/(decrease) in cash and cash equivalents	33.28	154.43	385.46	502.06
Effect of Foreign Currency Translation	6.68	3.29		
Cash and cash equivalents - Opening Balance	22.83	62.79	220.51	605.97
<b>Cash and cash equivalents - Closing Balance</b>	<b>62.79</b>	<b>220.51</b>	<b>605.97</b>	<b>1108.03</b>



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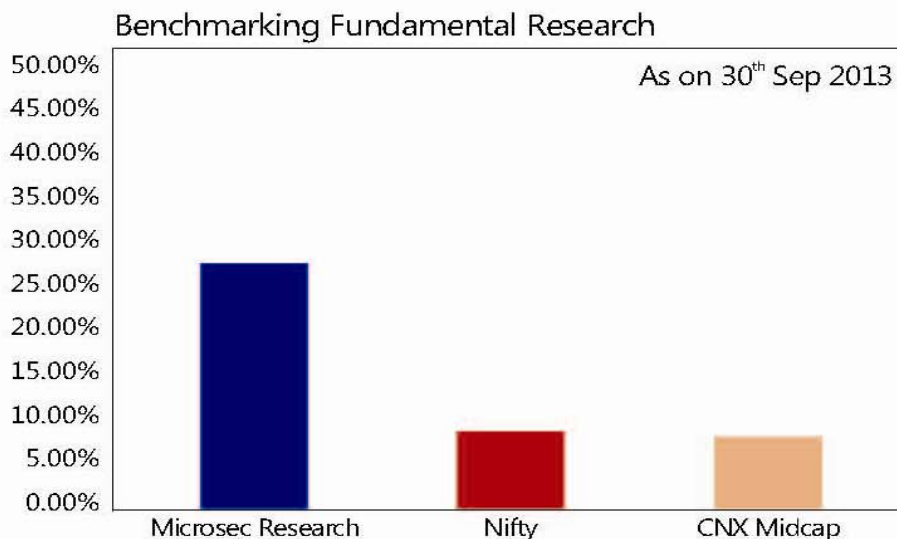
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Recommendation	Expected absolute returns (%) over 12 months
Strong Buy	>20%
Buy	between 10% and 20%
Hold	between 0% and 10%
Underperform	between 0% and -10%
Sell	< -10%

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# Research?

## Microsec Benchmark its Research



An amount of ₹ 1,00,000 invested individually in all 209 stocks ie, ₹ 2,09,00,000 investment as and when recommended has appreciated to ₹ 2,65,82,595 giving a return of 27.2 percent. On the same basis Nifty has given a return of 8 percent and CNXMID CAP has given a return of 7.4 percent.

Microsec benchmark its Research and the same is updated on our website at [www.microsec.in](http://www.microsec.in). Come, strike the right balance through Benchmarking Research.

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